

Sarepta Therapeutics, Inc.
Form DEF 14A
April 26, 2018
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

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SAREPTA THERAPEUTICS, INC.

(Name of Registrant as Specified In Its Charter)

(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:

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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):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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

April 26, 2018

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Sarepta Therapeutics, Inc. (the “Company”), which will be held Wednesday, June 6, 2018, at 9:00 A.M., local time, at the Company’s headquarters, 215 First Street, Suite 110B, Cambridge, MA 02142, for the following purposes:

1. to elect, as Group I directors to hold office until the 2020 annual meeting of stockholders, or until their successors are earlier elected, the following nominees: Michael W. Bonney, Douglas S. Ingram and Hans Wigzell, M.D., Ph.D.;
2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation;
3. to approve the Company’s 2018 Equity Incentive Plan;
4. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2018; and
5. to transact such other business as may properly come before the Annual Meeting, or any continuation, postponement or adjournment thereof.

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

The Company’s board of directors (the “Board”) unanimously believes that election of its director nominees, approval, on an advisory basis, of the compensation of our named executive officers, approval of the Company’s 2018 Equity Incentive Plan, and ratification of its selection of KPMG LLP as our independent registered public accounting firm are in our best interests and that of our stockholders, and, accordingly, recommends a vote FOR election of the director nominees, FOR the approval, on an advisory basis, of the compensation of our named executive officers, FOR the approval of the Restated Plan amendment and restatement and FOR the ratification of the selection of KPMG LLP as our independent registered public accountants.

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

It is very important that your shares be represented and voted whether or not you plan to attend the Annual Meeting in person. Under the Company's majority voting standard, in uncontested elections such as the election to be held at the Annual Meeting, an incumbent director nominee who does not receive the majority of the votes cast by the shares of our common stock ("shares") represented and entitled to vote at the annual meeting, is expected to tender his or her resignation. You may vote on the Internet, by telephone, or by completing and mailing a proxy card (if you received proxy materials by mail), or the form forwarded by your bank, broker or other holder of record. Voting over the Internet, by telephone, or by written proxy will ensure your shares are represented at the Annual Meeting. Please review the instructions on the Notice of Internet Availability of Proxy Materials we have mailed to you, or the information forwarded by your bank, broker or other holder of record regarding each of these voting options. On behalf of the Board, I would like to express our appreciation for your support of the Company.

Sincerely,

Douglas S. Ingram

President and Chief Executive Officer

215 First Street

Suite 415

Cambridge, MA 02142

www.sarepta.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Wednesday, June 6, 2018

To the Stockholders of Sarepta Therapeutics, Inc.:

NOTICE IS HEREBY GIVEN that the 2018 annual meeting of stockholders (the “Annual Meeting”) of Sarepta Therapeutics, Inc., a Delaware corporation, will be held on Wednesday, June 6, 2018 at 9:00 A.M., local time, at the Company’s headquarters, 215 First Street, Suite 110B, Cambridge, MA 02142, for the following purposes:

1. to elect, as Group I directors to hold office until the 2020 annual meeting of stockholders, or until their successors are earlier elected, the following nominee: Michael W. Bonney, Douglas S. Ingram and Hans Wigzell, M.D.;
2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation;
3. to approve the Company’s 2018 Equity Incentive Plan;
4. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2018; and
5. to transact such other business as may properly come before the Annual Meeting, or any continuation, postponement or adjournment thereof.

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

The Board has fixed the close of business on April 11, 2018 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and at any continuation, postponement or adjournment thereof. A list of stockholders will be available for inspection by our stockholders at our principal executive offices at 215 First Street, Suite 415, Cambridge, MA 02142, beginning on, or before, May 25, 2018 and continuing through the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on Wednesday, June 6, 2018: Securities and Exchange Commission rules allow us to furnish proxy materials to our stockholders over the Internet. You can access this proxy statement, our Annual Report to stockholders for the year ended December 31, 2017 and the Notice of Internet Availability of Proxy Materials at www.edocumentview.com/SRPT. In order to vote over the Internet you must have your stockholder identification number, which is set forth in the Notice of Internet Availability of Proxy Materials mailed to you. You may also request a paper proxy card to submit your vote by mail.

By Order of the Board of Directors,

David Tyronne Howton, Jr.

Senior Vice President, General Counsel and Corporate Secretary

Cambridge, MA

April 26, 2018

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. IF YOU PLAN TO ATTEND, PLEASE NOTIFY US BY CONTACTING INVESTOR RELATIONS AT (617) 274-4080 OR INVESTORS@SAREPTA.COM.

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS WE HAVE MAILED TO YOU, OR BY MAIL (IF YOU RECEIVED PROXY MATERIALS BY MAIL) IN ORDER TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING.

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

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TABLE OF CONTENTS

<u>General</u>	1
<u>Why am I Receiving These Materials?</u>	1
<u>Can I Access the Materials on the Internet Instead of Receiving Paper Copies?</u>	1
<u>Who Can Vote at the Annual Meeting?</u>	2
<u>Shares of Our Common Stock Outstanding and Quorum</u>	2
<u>Proxy Card and Revocation of Proxy</u>	2
<u>Voting of Shares of Our Common Stock</u>	2
<u>Vote required to Pass Each Proposal at the Annual Meeting</u>	3
<u>Counting of Votes</u>	3
<u>Effect of Not Casting Your Vote</u>	4
<u>Solicitation of Proxies</u>	4
<u>Stockholder Proposals for the 2019 Annual Meeting</u>	4
<u>Attending the Annual Meeting</u>	5
<u>Householding of Proxy Materials</u>	5
<u>SAREPTA THERAPEUTICS, INC. DIRECTORS AND EXECUTIVE OFFICERS</u>	6
<u>Directors, Director Nominees and Executive Officers</u>	6
<u>ELECTION OF SAREPTA THERAPEUTICS, INC. DIRECTORS (Proposal 1)</u>	10
<u>General</u>	10
<u>Nominee for Group II Director Election at the 2018 Annual Meeting of Stockholders</u>	10
<u>Vote Required and Board Recommendation</u>	11
<u>ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION (Proposal 2)</u>	12
<u>2017 Compensation Program Highlights</u>	12
<u>Advisory Vote and Board Recommendation</u>	17
<u>Vote Required and Board Recommendation</u>	17
<u>VOTE TO APPROVE THE COMPANY'S 2018 EQUITY INCENTIVE PLAN (Proposal 3)</u>	18
<u>Vote Required and Board Recommendation</u>	26
<u>RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Proposal 4)</u>	27
<u>Audit and Other Fees</u>	27
<u>Policy on Audit Committee Pre-Approval of Fees</u>	27
<u>Vote Required and Board Recommendation</u>	28
<u>STOCK OWNED BY SAREPTA THERAPEUTICS, INC. MANAGEMENT AND PRINCIPAL STOCKHOLDERS</u>	29
<u>Equity Compensation Plan Information</u>	31
<u>AUDIT COMMITTEE REPORT</u>	32
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	33
<u>Board's Role in Risk Oversight</u>	33
<u>Board Leadership Structure</u>	33
<u>Board and Committee Meetings</u>	33
<u>Determination Regarding Director Independence</u>	34
<u>Code of Conduct</u>	34

<u>Committees of the Board</u>	34
<u>Audit Committee</u>	34
<u>Compensation Committee</u>	34
<u>Nominating and Corporate Governance Committee</u>	35
<u>Communications with the Board</u>	36
<u>Compensation of Board</u>	36
<u>Cash Compensation</u>	36
<u>Stock-Based Compensation</u>	37
<u>EXECUTIVE COMPENSATION</u>	38
<u>Compensation Discussion and Analysis</u>	38
<u>I. 2017 Compensation Program Overview and Factors That Influenced 2017 Named Executive Officer Compensation</u>	38
<u>II. Elements of 2017 Named Executive Officer Compensation</u>	44
<u>Detailed Analysis of 2017 Executive Compensation Program</u>	44
<u>Compensation Committee Report</u>	58
<u>Compensation Tables</u>	59
<u>III. Compensation Agreements for Named Executive Officers</u>	68
<u>CEO Pay Ratio</u>	77
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	78
<u>Approval of Related Party Transactions</u>	78
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	78
<u>Compensation Committee Interlocks and Insider Participation</u>	78
<u>ANNUAL REPORT</u>	78
<u>OTHER MATTERS</u>	79
<u>APPENDIX A – SAREPTA THERAPEUTICS, INC. 2018 EQUITY INCENTIVE PLAN</u>	A-1

215 First Street

Suite 415 Cambridge, MA 02142

www.sarepta.com

PROXY STATEMENT FOR

THE SAREPTA THERAPEUTICS, INC. 2018 ANNUAL MEETING OF STOCKHOLDERS

INFORMATION CONCERNING VOTING AND SOLICITATION

General

The board of directors (the “Board”) of Sarepta Therapeutics, Inc. (the “Company”) is soliciting your proxy to vote at the 2018 annual meeting of stockholders (the “Annual Meeting”) to be held on Wednesday, June 6, 2018, at 9:00 A.M., local time, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement and in the accompanying Notice of Annual Meeting and any business properly brought before the Annual Meeting. The Annual Meeting will be held at the Company’s Headquarters at 215 First Street, Suite 110B, Cambridge, MA 02142. This proxy statement, the accompanying proxy card, our Annual Report to stockholders for the year ended December 31, 2017 (the “Annual Report”) and the Notice of Internet Availability of Proxy Materials (the “Notice”) are being made available via the Internet on or about April 26, 2018, and, upon request, will be mailed to those stockholders entitled to vote at the Annual Meeting. Proxies are solicited to give all stockholders of record an opportunity to vote on matters properly presented at the Annual Meeting.

Why am I Receiving These Materials?

The Company has made these proxy materials available to you on the Internet or, upon your request, has delivered print versions of these proxy materials to you by mail, in order to provide you with information regarding the matters on which you may vote at the Annual Meeting. You are invited to attend the Annual Meeting and are requested to vote on the proposals described in this proxy statement.

Can I Access the Materials on the Internet Instead of Receiving Paper Copies?

Yes, stockholders may access the proxy statement, the Annual Report and the Notice via the Internet and vote online at www.edocumentview.com/SRPT. On or about April 26, 2018, we mailed the Notice to stockholders of record as of the close of business on April 11, 2018 (the “Record Date”). We are furnishing our proxy materials to our stockholders on the Internet in lieu of mailing a printed copy of our proxy materials. You will not receive a printed copy of our proxy materials unless you request one. If you would like to receive a printed or electronic copy of the proxy materials, free of charge, you should follow the instructions for requesting such materials in the Notice. The Notice instructs you as to how you may access and review on the Internet all of the important information contained in these proxy materials or request a printed copy of those materials. The Notice also instructs you as to how you may vote your proxy.

The Company encourages stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of printing and mailing annual meeting materials.

Who Can Vote at the Annual Meeting?

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

Shares of Our Common Stock Outstanding and Quorum

As of the Record Date, 65,513,228 shares of our common stock were outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter presented. There is no cumulative voting. A majority of the outstanding shares of our common stock entitled to vote, present in person or represented by proxy, will constitute a quorum at the Annual Meeting. If less than a majority of the outstanding shares entitled to vote are represented at the Annual Meeting, either the chair of the meeting or a majority of the shares present at the Annual Meeting may adjourn the Annual Meeting to another date, time or place, and notice need not be given of the new date, time or place if the new date, time or place is announced at the Annual Meeting before an adjournment is taken.

Proxy Card and Revocation of Proxy

You may vote by the Internet, by telephone, or by mailing a printed copy of the proxy card (if you received proxy materials by mail). If you sign the proxy card but do not specify how you want your shares to be voted, your shares will be voted by the proxy holders named in the enclosed proxy (i) in favor of the election of the director nominees named in this proxy statement, (ii) in favor of the approval of the compensation of our named executive officers, (iii) in favor of the approval of the Company's 2018 Equity Incentive Plan, and (iv) in favor of ratification of the selection of KPMG LLP as our independent registered public accountants for the year ending December 31, 2018. In their discretion, the proxy holders named in the enclosed proxy are authorized to vote on any other matters that may properly come before the Annual Meeting and at any continuation, postponement, or adjournment thereof. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this proxy statement. In addition, no stockholder proposal or nomination was received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

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

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

Voting of Shares of Our Common Stock

Stockholders of record as of the Record Date are entitled to one vote for each share of our common stock held on all matters to be voted upon at the Annual Meeting. You may vote by:

- attending the Annual Meeting and voting in person;
- by proxy, via the Internet, as per the instructions in your Notice;

2

by proxy, via telephone, as per the instructions in your Notice and in the proxy card; or
by completing and mailing a printed proxy card (if you received proxy materials by mail).

The Internet and telephone voting facilities will close at 11:59 P.M., Eastern Time, on June 5, 2018. Stockholders who vote through the Internet or by telephone should be aware that they may incur costs such as access or usage charges from telephone companies or Internet service providers, and that these costs must be borne by the stockholder. Stockholders who vote by Internet or telephone need not return a proxy card, or the form forwarded by your bank, broker or other holder of record by mail. All shares entitled to vote and represented by properly-executed proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies.

YOUR VOTE IS IMPORTANT. Under the Company's majority voting standard adopted by the Board, in uncontested elections such as the election to be held at the Annual Meeting, an incumbent director nominee who does not receive the majority of the votes cast by the shares represented and entitled to vote at the annual meeting will not be elected as a director and is expected to tender his or her resignation.

Vote Required to Pass Each Proposal at the Annual Meeting

Proposal 1: Election of Sarepta Therapeutics, Inc. Directors. Where a quorum is present, each director nominee must receive the affirmative vote of a majority of the votes cast (whether in person or by proxy) by the shares represented and entitled to vote at the Annual Meeting to be elected as director. Votes cast include votes "FOR" or "AGAINST" each nominee and exclude abstentions and broker non-votes. Abstentions and broker non-votes will not affect the outcome of the vote in the election of directors. Under the Company's Policy Statement on Majority Voting, a director who fails to obtain an affirmative vote "FOR" by the majority of votes cast will be required to tender his or her resignation and the Board or an authorized committee of the Board will determine whether to accept such resignation.

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

Proposal 3: Approval of the Company's 2018 Equity Incentive Plan. The affirmative vote of a majority of the votes cast is required to approve this proposal, excluding abstentions and broker non-votes. As a result, abstentions and broker non-votes (if any) will have no effect on the proposal to approve the Company's 2018 Equity Incentive Plan.

Proposal 4: Ratification of Appointment of Independent Registered Public Accounting Firm. The votes cast in favor of this proposal must exceed the votes cast against for the proposal to be approved. Abstentions will not have any effect on the voting results of this matter. Brokers, banks and other nominees generally have discretionary authority to vote on this matter; thus, we do not expect any broker non-votes on this matter.

Counting of Votes

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

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

“non-votes” will be counted as present for purposes of determining a quorum.

3

Effect of Not Casting Your Vote

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

If on the Record Date you held shares of our common stock in an account with a brokerage firm, bank, or other nominee, you are considered a beneficial owner of those shares and hold such shares in street name. If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker “non-vote.”

The ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2018 (Proposal 4) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker “non-votes” are expected for Proposal 4.

The election of directors (Proposal 1), the advisory vote to approve executive compensation (Proposal 2), and the approval of the Company’s 2018 Equity Incentive Plan (Proposal 3) are matters considered non-routine under applicable rules.

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

Solicitation of Proxies

We will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of the Notice and any additional information furnished to stockholders. If properly requested, copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of our common stock in their names that are beneficially owned by others to forward to those beneficial owners. We may reimburse persons representing beneficial owners for their costs of forwarding the solicitation materials to the beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail, or personal solicitation by our directors, officers or employees. No additional compensation will be paid to our directors, officers or employees for such services. We also have retained Okapi Partners LLC for a fee not to exceed \$10,000 to assist us in the solicitation of proxies. A list of stockholders will be available for inspection by our stockholders at our principal executive offices at 215 First Street, Suite 415, Cambridge, MA 02142, beginning on, or before, May 25, 2018 and continuing through the meeting.

Stockholder Proposals for the 2019 Annual Meeting

Stockholder proposals submitted for inclusion in our proxy materials for our 2019 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), must be received at our principal executive offices no later than the close of business on December 27, 2018, provided that if the date of the annual meeting is earlier than May 7, 2019, or later than July 6, 2019, the deadline is a reasonable time before we begin to print and send our proxy materials for next year’s annual meeting. Stockholders who do not wish to use the

mechanism provided by the rules of the SEC in proposing a matter for action at the next annual meeting must notify us in writing of the proposal and the information required by the provisions of our Bylaws dealing with advance notice of stockholder proposals and director nominations. To be timely, under our Bylaws, a stockholder's written notice must be delivered to, or mailed and received at, our principal executive offices no later than the close of business on March 8, 2019, and no earlier than February 6, 2019; provided that, if the date of that annual meeting is more than 30 days before, or more than 60 days after, June 6, 2019, you must give notice not later than the 90th day prior to the annual meeting date or, if later, the 10th day following the day on which public disclosure of the annual meeting date is first made. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Attending the Annual Meeting

Our Annual Meeting will begin promptly at 9:00 A.M., local time, on Wednesday, June 6, 2018, at our corporate headquarters at 215 First Street, Suite 110B, Cambridge, MA 02142.

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

Householding of Proxy Materials

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

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

If you are eligible for householding and currently receive multiple copies of our proxy materials with other stockholders of record with whom you share an address, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of these documents for your household, please contact our Corporate Secretary at 215 First Street, Suite 415, Cambridge, MA 02142, or at (617) 274-4000.

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

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

SAREPTA THERAPEUTICS, INC. DIRECTORS AND EXECUTIVE OFFICERS

Directors, Director Nominees and Executive Officers

The following table sets forth certain information with respect to the directors, director nominees and executive officers of our Company as of the date of April 26, 2018:

Name	Age	Position(s) ⁽⁵⁾
Executive Officers		
Douglas S. Ingram	55	President and Chief Executive Officer and Group I Director
Sandesh Mahatme	53	Executive Vice President, Chief Financial Officer and Chief Business Officer
Guriqbal S. Basi, Ph.D.	61	Senior Vice President and Chief Scientific Officer
Alexander “Bo” Cumbo	47	Senior Vice President and Chief Commercial Officer
David Tyronne Howton, Jr.	46	Senior Vice President, General Counsel and Corporate
		Secretary
Shamim Ruff	58	Senior Vice President, Chief Regulatory Affairs Officer
Non-Employee Directors		
Michael W. Bonney ⁽¹⁾	59	Group I Director
Hans Wigzell, M.D., Ph.D. ⁽²⁾⁽³⁾	79	Group I Director
Richard J. Barry ⁽¹⁾⁽²⁾⁽⁴⁾	59	Group II Director
M. Kathleen Behrens, Ph.D. ⁽¹⁾⁽³⁾	65	Group II Director, Chairwoman of the Board of Directors
Claude Nicaise, M.D. ⁽⁴⁾	65	Group II Director

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

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

(3) Member of the research and development committee. Dr. Wigzell is the current chair of the research and development committee.

(4) Member of the compensation committee. Dr. Nicaise is the current chair of the compensation committee.

(5) The term of the Group I Director expires as of the date of the 2018 Annual Meeting, and the term of Group II Directors expires as of the date of the 2019 Annual Meeting.

Douglas S. Ingram has served as our President, Chief Executive Officer and a member of our Board since June 2017. Prior to his appointment, from December 2015 until November 2016, he served as the Chief Executive Officer and President and a Director of Chase Pharmaceuticals Corporation, a clinical-stage biopharmaceutical company. Prior to joining Chase Pharmaceuticals, Mr. Ingram served as the President of Allergan, Inc., a pharmaceutical company, from July 2013 until it was acquired by Actavis in early 2015. At Allergan, he also served as President, Europe, Africa and Middle East from August 2010 to June 2013, and Executive Vice President, Chief Administrative Officer, and Secretary from October 2006 to July 2010, where he led Allergan’s Global Legal Affairs, Compliance, Internal Audit and Internal Controls, Human Resources, Regulatory Affairs and Safety, and Global Corporate Affairs and Public Relations departments. Mr. Ingram also served as General Counsel of Allergan from January 2001 to June 2009 and as Secretary and Chief Ethics Officer from July 2001 to July 2010. With the acquisition of Allergan by Actavis, Mr. Ingram consulted as a special advisor to the Chief Executive Officer of Actavis. Mr. Ingram serves as a director of Pacific Mutual Holding Company, a parent company for subsidiaries engaged in a variety of insurance, financial services and other investment-related businesses, where he is a member of the Compensation Committee, the Governance and Nominating Committee, and the Member Interests Committee. Mr. Ingram received his J.D. from the University of Arizona and his Bachelor of Science degree from Arizona State University.

Sandesh Mahatme has served as our Executive Vice President, Chief Financial Officer and Chief Business Officer since March 2017. Prior to this appointment, he served as our Senior Vice President, Chief Financial Officer since November 2012. From January 2006 to November 2012, Mr. Mahatme worked at Celgene Corporation, a biopharmaceutical company, where he served in various roles, including Senior Vice President of Corporate Development, Senior Vice President of Finance, Corporate Treasurer and Head of Tax. While at Celgene, Mr. Mahatme built the treasury and tax functions before establishing the Corporate Development

6

Department, which focuses on strategic, targeted initiatives, including commercial development in emerging markets, acquisitions and licensing and global manufacturing expansion. Prior to working at Celgene, Mr. Mahatme worked for Pfizer Inc., a pharmaceutical company, for eight and a half years in senior roles in Business Development and Corporate Tax. Mr. Mahatme started his career at Ernst & Young LLP where he advised multinational corporations on a broad range of transactions. Mr. Mahatme holds a Master of Laws (LL.M.) from NYU School of Law, an LL.M. from Cornell Law School and is a member of the New York State Bar Association. Mr. Mahatme is also a board member of Flexion Therapeutics, Inc., Aeglea Biotherapeutics Inc. and Elcelyx Therapeutics Inc.

Guriqbal S. Basi, Ph.D. was appointed as our Chief Scientific Officer in September 2017. Prior to this appointment, from March 2016 to June 2016, Dr. Basi served as Senior VP, Research, for Adverum Biotechnology, a company focused on gene therapy for ocular indications and rare disease. From June 2015 to March 2016, Dr. Basi served as Chief Scientific Officer for Circuit Therapeutics, Inc., an innovative start-up leveraging state of the art capabilities in optogenetics, gene therapy and single cell RNAseq for target discovery and therapeutic applications in central nervous system indications. From February 2015 to May 2015, Dr. Basi served as Chief Scientific Officer for Symic Biomedical. From September 1992 to February 2014, Dr. Basi worked at Elan Pharmaceuticals, Inc., where he served in various roles, including Chief Science and Technology Officer and Head of Pre-clinical Development. Dr. Basi has also provided professional consulting services to bio-pharmaceutical entities since April 2014. Dr. Basi served on the Scientific Advisory Board of the Parkinson's Progression Marker Initiative, sponsored and funded by the Michael J. Fox Foundation, as well as an invited member of the Scientific Strategy and Planning Committee of the Alzheimer's Drug Discovery Foundation. Dr. Basi earned his Ph.D. from the University of Illinois at Chicago, and a B.S. in Biochemistry from the Ohio State University.

Alexander "Bo" Cumbo has served as our Senior Vice President of Global Commercial Development since October 1, 2016. Prior to this appointment, he served as our Vice President, Business Development since January 2013. From June 2010 to January 2013, Mr. Cumbo worked at Vertex Pharmaceuticals Inc., a biopharmaceutical company, where he served as Vice President of Sales and Treatment Education for the launch of Incivek. Prior to working at Vertex, Mr. Cumbo worked for Gilead Sciences, a biopharmaceutical company, for nine years in multiple commercial roles supporting the HIV, HBV and Cardiovascular franchises. Mr. Cumbo started his career at GlaxoSmithKline plc and has over twenty years of pharmaceutical and biotechnology experience. Mr. Cumbo holds a Bachelor of Science (B.S.) in Medical Technology from Auburn University.

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

Shamim Ruff has served as our Senior Vice President, Chief Regulatory Affairs Officer since December 2015. Prior to this appointment, she served as our Vice President, Regulatory Affairs and Quality since January 2013. From April 2011 to December 2012, Ms. Ruff served as Vice President, Regulatory Affairs at Sanofi, a pharmaceutical company, where she was Head of Oncology Regulatory Affairs, responsible for leading Global, European, and CMC Regulatory

Affairs teams. Prior to working at Sanofi, Ms. Ruff served as Executive Director, US and Global Regulatory Affairs at Amgen from March 2007 to March 2011. She previously held senior positions at Abbott and AstraZeneca, where she had global oversight for the development and filings of multiple compounds, some of which had companion diagnostics. Ms. Ruff holds a Bachelor's degree in Chemistry and Biology from the University of Leicester, UK, and a Master's degree in Analytical Chemistry from the University of Loughborough, UK. Additionally, she is a Chartered Chemist and Member of the Royal Society of Chemistry (CChem MRSC), and is also an active member of DIA, RAPS and ASCO.

Richard J. Barry has served as a member of our Board since June 2015. He also serves as a member of our audit committee and our compensation committee and as a member and chair of our nominating and corporate governance committee. Mr. Barry is a long time stockholder of the Company. He has served as a director and as a member of the audit committee and as a member and chair of the nominating and corporate governance committee of Elcelyx Therapeutics Inc., a pharmaceutical company, since February 2013, and is a Managing Member of GSM Fund, LLC, a fund established for the sole purpose of investing in Elcelyx. Mr. Barry has also been a Partner and Advisory Board member of the San Diego Padres since 2009. He was previously an Advisory Board member for the Schreyer Honors College at Pennsylvania State University and served as a director of Cluster Wireless, a San Diego-based software company. Mr. Barry has extensive experience in the investment management business. He was a founding member of Eastbourne Capital Management LLC, a large equity hedge fund investing in a variety of industries, including health care, and served as a Managing General Partner and Portfolio Manager from 1999 to its close in 2010. Prior to Eastbourne, Mr. Barry was a Portfolio Manager and Managing Director of Robertson Stephens Investment Management. Mr. Barry also spent over 13 years in various roles in institutional equity and investment management firms, including Lazard Freres, Legg Mason and Merrill Lynch. Mr. Barry holds a Bachelor of Arts (B.A.) from Pennsylvania State University. Our nominating and corporate governance committee believes that Mr. Barry's significant experience in the financial sector and extensive knowledge of the pharmaceutical industry qualifies him for service as a member of our Board.

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

Michael W. Bonney has served as a member of our Board since December 2017. He also serves as a member of the audit committee. From June 2017, Mr. Bonney has been serving as Chief Executive Officer and Chair of Kaleido Biosciences, a biotechnology company focused on the development of novel chemistries to unlock the power of the human microbiome. From January 2016 to July 2016, Mr. Bonney was a partner at Third Rock Ventures. From January 2002 to December 2014, Mr. Bonney worked at Cubist Pharmaceuticals Inc., where he served as President and Chief Operating Officer, and then as Chief Executive Officer and a member of the Board of Directors. Mr. Bonney is Chair of the Board of Alnylam Pharmaceuticals, Inc. and a member of the Board and the Audit Committee of Magenta Therapeutics and Celgene Corporation. He also serves as a member of the Finance and the Development Committees of the Board of Whitehead Institute for Biomedical Research. Additionally, Mr. Bonney chairs the Board and serves on the Nominating and Corporate Governance and the Valuation Committees of Tekla Healthcare and Life Sciences Funds, and he chairs the Board of Trustees of Bates College. Mr. Bonney served as a member of the

Compensation and the Nominating and Corporate Governance Committees of Global Blood Therapeutics from February 2016 to June 2017. He was also a director of NPS Pharmaceuticals, Inc. from 2005 until its sale to Shire plc in February 2015, where he was a member of the Audit and Compensation Committees and chaired the Nominating and Corporate Governance Committee. Mr. Bonney earned a B.A. in Economics from Bates College.

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

Hans Wigzell, M.D., Ph.D. has served as a member of our Board since June 2010. He also serves as a member of our nominating and corporate governance committee and a member of and chair of our research and development committee. In the past five years, Dr. Wigzell served as a director of Probi AB, Swedish Orphan Biovitrum AB and Valneva SE (a successor to Intercell AG), a biotechnology company, and currently serves as Chairman of Rhenman & Partners Asset Management AB, an investment management firm, and a director of RaySearch Laboratories AB, a medical technology company. Since 2006, Dr. Wigzell has served as a director of Karolinska Development AB, a company listed on the NASDAQ OMX Stockholm market that selects, develops and seeks ways to commercialize promising new Nordic lifescience innovations. He has also served as the Chairman of Karolinska Development AB since 2017. From 1995 to 2003, he was the President of the Karolinska Institute, a medical university and was General Director of the National Bacteriological Laboratory in Stockholm from 1987 to 1993. Dr. Wigzell is Chairman of the board of the Stockholm School of Entrepreneurship. He is an elected member of several national academies, including the Swedish Royal Engineering Academy, Sweden; the Royal Academy of Science, Sweden; the Danish Academy of Arts and Letters; the American Academy of Arts and Sciences; the Finnish Science Society; and the European Molecular Biology Organization. In addition to serving as President of the Karolinska Institute, his academic career includes being Chairman of the Nobel Prize Committee, and the Karolinska Institute and Distinguished External Advisory Professor of Ehime University, Japan. Additionally, Dr. Wigzell was appointed Chairman of the Nobel Assembly in 2000. Dr. Wigzell holds an M.D. and Ph.D. from the Karolinska Institute in Stockholm and he has received honorary doctorate degrees at University "Tor Vergata" in Rome, Italy, Turku University in Finland, The Feinstein Institute in New York and Helsinki University in Finland. Our nominating and corporate governance committee believes that Dr. Wigzell's experience serving in leadership roles in various scientific and biotechnology institutions and companies in countries around the world qualifies him to serve as a member of our Board.

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ELECTION OF SAREPTA THERAPEUTICS, INC. DIRECTORS

(Proposal 1)

General

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

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

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

Name	Director Expiration			Position(s) Held With Sarepta
	Age	Since	of Term	
Group I Director Nominees:				
Michael W. Bonney	59	2017	2018	Director
Douglas S. Ingram	55	2017	2018	President, CEO and Director
Hans Wigzell, M.D., Ph.D.	79	2010	2018	Director
Group II Continuing Directors:				
Richard J. Barry	59	2015	2019	Director
M. Kathleen Behrens, Ph.D.	65	2009	2019	Director and Chairwoman of the Board of Directors
Claude Nicaise, M.D.	65	2015	2019	Director

Directors for a group whose term expires at a given annual meeting may be up for reelection for another two-year term at that meeting. Each director's term will continue until the election and qualification of such director's successor, or such director's earlier death, resignation or removal. The board positions are divided equally (or nearly equally) into the two groups. This classification of our Board may have the effect of delaying or preventing changes in control of management. Except as otherwise provided by law, any vacancy in the Board, including a vacancy that results from an increase in the number of directors, may be filled by a vote of the majority of the directors then in office. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified. There are no family relationships among any of our directors or executive officers.

Nominees for Group I Director Election at the 2018 Annual Meeting of Stockholders

There are three nominees standing for election as Group I directors at the Annual Meeting. Based on the report of the nominating and corporate governance committee, our Board has approved the nomination of the following nominees for re-election as Group I Directors: Michael W. Bonney, Douglas S. Ingram and Hans Wigzell, M.D. Each of the Group I Director nominees has indicated that he will be able to serve if elected and has agreed to do so.

The Board's nominating and corporate governance committee annually evaluates the composition of the Board to assess the skills and experiences that are currently represented on the Board and those that will be valuable given the Company's current and future needs. In selecting Messrs. Bonney and Ingram and Dr. Wigzell as director nominees, the nominating and corporate governance committee and the Board took into consideration, among other things, the Company's strategic and regulatory plans and the interests of the Company's stockholders. For additional considerations related to the process followed by the nominating and corporate governance committee and the Board in making Board composition decisions this year, please read "Corporate Governance and

Board Matters — Committees of the Board — Nominating and Corporate Governance Committee.” If elected, each of Messrs. Bonney and Ingram and Dr. Wigzell will hold office as a Group I director until our 2020 annual meeting of stockholders or until his successor is earlier elected.

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

Vote Required and Board Recommendation

Each nominee who receives a majority of votes cast and entitled to vote at the Annual Meeting for such nominee will be elected as a director. Abstentions and broker non-votes will not affect the outcome of the vote in the election of directors.

The Board recommends that stockholders vote “FOR” the election of each of Messrs. Bonney and Ingram and Dr. Wigzell as Group I Directors, to the Board.

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ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

(Proposal 2)

In accordance with Section 14A of the Exchange Act, we are asking our stockholders to approve, on a non-binding, advisory basis, the 2017 compensation of our named executive officers as disclosed in this proxy statement. This proposal, commonly known as a “say-on-pay” proposal, gives our stockholders the opportunity to express their views on the design and effectiveness of our executive compensation program.

As described in detail under the section below captioned “Compensation Discussion and Analysis,” our executive compensation program is designed to attract and retain senior executive management, to motivate their performance toward clearly defined goals and to align their long term interests with those of our stockholders. We urge our stockholders to read the “Compensation Discussion and Analysis” and the tables and narrative that follow for additional details about our executive compensation program, including information about the 2017 compensation paid to our named executive officers.

Our compensation committee includes a significant pay-for-performance component that supports our business strategy and aligns the interests of our executives with that of our stockholders. In 2017, our compensation program rewarded financial, strategic and operational performance, and the achievement of the pre-determined 2017 corporate goals and functional objectives (i.e., individual performance goals) for the named executive officers selected by the committee to support our long-range plans and stockholder value creation. In light of the achievement of personal goals by our named executive officers, as applicable, and our corporate goals for 2017, we believe that the compensation paid to our named executive officers was appropriate.

2017 Compensation Program Highlights

Key Factors That Influenced 2017 Named Executive Officer Compensation

2017 was an important year for the Company. After receiving FDA approval for its first product in September 2016, the Company entered 2017 with the goal of successfully launching EXONDYS 51 in the U.S., advancing its multiple genetic medicine platforms and preparing for global commercialization. In the face of a challenging reimbursement landscape, the Company achieved a very successful first full year launch, doubling its original revenue guidance for 2017. In addition, the Company launched an early access program and built commercial infrastructure in the EU in preparation for a potential approval of the Company’s marketing authorization application for eteplirsen. The Company also executed its strategy to maintain leadership position in the rare disease space by entering into a gene therapy exclusive license option agreement with Genethon and into a sponsored research and exclusive license option agreement with Duke University related to certain CRISPR/Cas9 technology that has the potential to restore dystrophin expression by removing or “excising” exons from the dystrophin gene. The Company built for the future in 2017, significantly advancing its RNA-based and gene therapy pipeline, announcing positive results on its next RNA-based DMD therapy, golodirsen, commencing a first-in-human study for its second generation novel technology, PPMO, for the treatment of DMD in patients who are amenable to exon 51 skipping, bolstering its balance sheet with an equity raise and convertible note offering, and ensuring adequate manufacturing supply for clinical and commercial needs.

The Company’s achievements were reflected in impressive Total Stockholder Return (“TSR”). Our one-year TSR of 102.84% was significantly higher than that of the NASDAQ Biotechnology Index (21.66%) and that of the NASDAQ Composite Index (29.73%); our three-year TSR was 284.52%, while that of the NASDAQ Biotechnology Index and the NASDAQ Composite Index were only 6.94% and 51.36%, respectively; and our five-year TSR of 115.66% was slightly below that of the NASDAQ Biotechnology Index (138.59%) and that of the NASDAQ Composite Index (143.54%). The Company’s accomplishments in 2017 are directly tied to the performance of the Company’s named executive officers, and thus were an important factor in determining the named executive officers’ compensation for

2017.

2017 was also a year of transition. In June 2017, Dr. Kaye tendered his resignation as President and Chief Executive Officer, and the Board nominated Mr. Ingram for this position.

Two goals led our recruitment efforts. First, we wanted to attract an exceptional Chief Executive Officer. In doing so, we had to compete with other companies in the biotech space, many of which were private and could offer large equity stakes compared to their public company equivalents. Second, we were searching for an individual who would be willing to fully align his or her financial interests with the financial interests of our

12

stockholders by tying his own success or failure with the Company's performance and stockholder value. Our new Chief Executive Officer's compensation package was tailored to fit such a personality. Since the vast majority of Mr. Ingram's compensation is in the form of performance-based ("at-risk") awards, the only way to maximize his compensation is to achieve outstanding performance for the Company and at the same time outperform the biotech industry. Under this model, Mr. Ingram may earn a significant stake in the Company, but only through the achievement of performance metrics that, if reached, would also reflect a significant return to stockholders. Indeed, our innovative compensation structure gives Mr. Ingram the opportunity to obtain a high value award if the Company is outperforming, but it also entails a big risk of losing a substantial portion of the award, or even all of it, if the Company does not perform well and does not outperform the biotech industry.

Using this unique model, we granted Mr. Ingram the following two inducement equity awards under the 2014 Employment Commencement Incentive Plan (the "2014 Plan") as an inducement material to his entering into the employment agreement: (1) a time-based restricted stock award; and (2) a performance-based option award.

In determining the terms of these awards, we took into account, among other things, Mr. Ingram's extensive experience in our industry, the compensation commanded by principal executive officers at our peer group, the competitive landscape for top talent and input from Radford, our independent consultant. We were specifically guided by the following parameters when crafting the performance-based option award, which is quadruple the fair value of the restricted stock award:

Performance Measurements: The option award is contingent on and linked to (1) the Company's stock performance over five years and (2) the Company's performance relative to other biotech companies during such period. The Company's performance is measured by the compound annual growth rate ("CAGR") of our stock over a 5-year period, which we considered to be more accurate than Total Shareholder Return ("TSR"). The formula sets challenging CAGR thresholds for maximum compensation, which were developed through the assessment of compounded growth rates for several leading biotech companies over highly successful periods in their development. The outperformance relative to other biotech companies is measured by comparing our five year CAGR to the CAGR of the NASDAQ Biotech Index. We selected the NASDAQ Biotech Index because it is more challenging to beat than broader pharmaceutical sector indexes, as indicated by high returns over the past five years (approximately 22%).

Linear Formula: The percentage of the award vesting can be anywhere in the range of 0% to 100%, depending on the Company's stock price CAGR and the Company's outperformance relative to other biotech companies during a 5-year period.

Potential Ownership Percentage: To attract top talent and to be able to compete with privately-held companies, which have greater flexibility in offering equity, we granted equity that can potentially result in Mr. Ingram owning approximately 6.6% of the Company if all performance metrics are fully satisfied.¹ If performance criteria are not met, Mr. Ingram will obtain a lower interest in the Company, potentially down to 0%.

5-Year Vesting Period: To reward sustained and continued outperformance, and to eliminate the ability to meet thresholds due to short term and arbitrary market factors, there is a 5-year cliff vesting, as opposed to vesting on a yearly basis in tranches.

We believe that such compensation structure aligns with stockholders' interests due to the following key features of the awards:

Chief Executive Officer's Financial Success is Closely Linked to the Company's Growth: The option award is contingent on and linked to both the Company's stock performance over five years and to the Company's performance relative to other biotech companies during such period. As the Company performs better, the vesting percentage increases, up to the maximum amount granted. No portion of the option award will vest if the Company's stock price CAGR over the 5-year period is less than 15% or if such CAGR does not exceed (or, in certain limited cases, meet) the CAGR of the Biotech Index during the same 5-year period. This formula ensures that if stockholders realize a marginal return through lack of stock appreciation or poor performance relative to the biotech market, Mr. Ingram will likewise receive diminished compensation. Conversely, appreciable stock value growth over the 5-year period that also exceeds the biotech index will likely result in significant stockholder return and, at the same time, afford

Mr. Ingram the opportunity to realize greater compensation. In this manner, the Company has sought to directly align Mr. Ingram's compensation with stockholder interests.

¹ Assuming 55,002,586 shares outstanding.

13

Performance-Based, “At-Risk” Award: Despite the high fair value of the performance-based option award as shown in the compensation tables below, it is not certain what percentage of such option will vest, if at all. Such percentage is dependent on the Company’s performance as described above.

High Performance Thresholds: The option award’s complex formula sets very challenging thresholds, which were designed based on past outperformance of top leading biotech companies. In order for the performance-based option award to fully vest, our stock would need to increase by at least 438% in the 5-year period following the grant date (from \$34.65 to approximately \$186.5 per share), and the Company’s share price CAGR would need to exceed the CAGR of the NASDAQ Biotech Index by at least 5% in the same period. Importantly, the use of the Biotech Index ensures that Mr. Ingram cannot benefit from stock appreciation resulting merely from market factors, but in fact must beat the performance of other companies in the sector. These high thresholds are designed to incentivize our new Chief Executive Officer to focus on the Company’s growth and how it can outperform its peers over a 5-year period.

- **Extended Vesting Periods:** The time-based restricted shares vest gradually over 4 years, and a portion of the performance-based option (ranging from 0% to 100%) vests 5-years after the grant date. The extended vesting periods are designed to incentivize our new Chief Executive Officer to focus on the long-term interests of the Company and reward sustained and continued outperformance over an extended period of time. These extended vesting periods also eliminate the potential for large annual payments based on short term market dynamics that may be unrelated to company performance and serve as a retention mechanism as they raise Mr. Ingram’s cost of pursuing a new opportunity outside the Company.

No Additional Equity Awards in the First Five Years of Employment: the performance-based option award was granted to Mr. Ingram in lieu of any future annual equity awards for the first five years of his employment. Hence, the Board does not anticipate granting Mr. Ingram additional incentive awards for the first five years of his employment.

Alignment of Financial Interests with those of Stockholders: The restricted stock award, and potentially the performance-based option award, will increase Mr. Ingram’s equity ownership, and hence will align his long-term financial interests with those of our stockholders. To further align his interests with those of our stockholders, but not required by any agreement or understanding with the Company, Mr. Ingram purchased shares of the Company’s common stock in the sum of approximately \$4 million in July and November 2017.

Both of the awards are subject to clawback under circumstances set forth in Mr. Ingram’s employment agreement with the Company, including under the Company’s clawback policy.

A substantial portion of compensation for each named executive officer is tied to our performance, with 99% of Mr. Ingram’s compensation and 82% of compensation for the other named executive officers based on Company performance and paid in long-term equity incentive awards (whether vesting on the basis of time or achievement of performance metrics) and annual bonuses. As discussed in detail under the section below captioned “Compensation Discussion and Analysis,” we believe that the components and pay mix of our 2017 named executive compensation program struck the right balance between managing the Company’s hiring and retention needs and paying for performance that increases stockholder value.

Enhancing Compensation Practices with Stockholder Engagement and Feedback

We have consistently worked with our stockholders over the recent years to obtain their feedback on our compensation practices. In particular, management discussed our compensation practices with stockholders, including stockholders that previously voted against the Company’s say-on-pay proposals from previous years. In addition, following the nomination of Mr. Ingram as our Chief Executive Officer, the Company had informal discussions with stockholders about his unique compensation structure. These stockholders supported such structure as it aligns Mr. Ingram’s interests with those of the Company’s stockholders and reflects his long term commitment to building the Company.

Based on stockholder feedback over the past several years, the Company made a series of changes to its compensation practices and policies in a manner designed to enhance our compensation practices. We believe that these changes addressed the feedback obtained in prior years. As a result of these changes, at our last annual meeting, held in 2017, our executive compensation program for 2016 was approved by approximately 98.46% of the votes cast. Below are some highlights of the changes we have made to our compensation practices and policies:

- **Increased Focus on Performance-based Awards.** In 2015, 2016 and 2017, the compensation committee granted performance-based awards to more closely align the interests of our named executive officers with near term stockholder returns resulting from regulatory and commercial outcomes, in addition to granting time-based awards such as stock options, which also align the interests of our named executive officers with those of our stockholders.
- **Appropriate Balance of Compensation Based on Short-term and Long-term Performance Goals.** The Company has sought to establish goals that balance achievements that confer value to stockholders over the course of the year (e.g., the achievement of successful U.S. commercial launch) with other efforts that are designed to provide the basis for longer term positive return to stockholders (e.g., the initiation of the development of second generation exon-skipping therapies).
- **No Merit Increases to Cash Compensation.** There were no merit increases to base salary paid and bonus opportunities provided to our named executive officers in 2017, other than an increase to Mr. Cumbo’s base salary as a result of his May 2017 promotion.
- **Policies that Reflect Best Practices.** The Company has put in place other components it believes reflect responsible pay practices such as a clawback policy and stock ownership requirements for directors and officers (see pages 53-54 for details).

The tables below provide a high level summary of our 2017 compensation program as well as our compensation policies and practices.

2017 NEO Compensation Program		2017 NEO Compensation Highlights
Components		
Fixed	Base Salary	There were no merit increases to the cash compensation paid to our named executive officers in 2017, except that Mr. Cumbo was promoted in May 2017 and received a salary increase and an equity grant (see pages 45-46 for details).
Variable/ Performance-Based	Bonus	Cash payment based on achievement of the 2017 corporate goals set by the compensation committee. Chief Executive Officer bonus was based entirely on achievement of 2017 corporate goals. Bonuses for the other named executive officers were based 75% on achievement of 2017 corporate goals and 25% on individual performance tied to achievement of functional objectives (see pages 46-49 for details).

Annual Equity Grant Granted in March 2017 and consisted of one-half time-based options and one-half performance-based options (see page 49-50 for details).

Additional
Performance-based
Awards

- February 2016 Award: This award consisted of one-half time-based options and one-half performance-based options. The performance-based milestones do not cliff vest in full, but rather vest over time once a milestone is achieved (see page 50 for details).

- September 2016 Award: Restricted stock awards (“RSAs”) were granted to all named executive officers except for our Chief

Executive Officer. These RSAs are contingent upon achievement of a designated quarterly revenue threshold in any fiscal quarter between the grant date and January 1, 2019 (see page 50 for details).

Inducement
Grants to New
NEOs

- A time-based RSA and a performance-based option award were granted to our new President and Chief Executive Officer. The Board does not anticipate any additional equity grants until June 2022, as the performance-based option award was granted in lieu of any future annual equity awards for the first five years of his employment (see pages 51-52 for details);

- Time-based options were granted to our new Chief Scientific Officer and new Chief Medical Officer (see pages 52-53 for details).

Snapshot of Current Key Executive Compensation Practices and Policies

YesNo

Performance-based equity grants

Stock Ownership Guidelines

Annual Stockholder Say-on-Pay vote

Annual Compensation Risk Assessment

Robust Clawback Policy

Independent Compensation Consultant

Company and Board Communications with Stockholders regarding Company compensation practices

Change in control accelerated vesting rights for our named executive officers are subject to a double trigger (i.e., a change in control must occur and the executive must be terminated without cause or resign for good reason).

Prohibition on Hedging or Pledging of Company Stock

Prohibition on Tax Gross-Ups for Relocation and Temporary Housing Expenses

Employment Agreement for CEO position only / New Limited Scope NEO Severance Letters

Practice of Not Paying Excess Perquisites

Our compensation committee regularly reviews the compensation program for our named executive officers to ensure it achieves the desired goals of aligning their compensation structure with our stockholders' interests and current market practices. We believe that our named executive officers' compensation programs have been effective at encouraging the achievement of positive results, appropriately aligning pay and performance, and enabling us to attract and retain talented executives.

Advisory Vote and Board Recommendation

We request stockholder approval, on an advisory basis, of the 2017 compensation of our named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules (which disclosure includes the "Compensation Discussion and Analysis," the compensation tables and the narrative disclosures that accompany the compensation tables within this proxy statement). This vote is not intended to address any specific element of compensation, but rather the overall compensation of our named executive officers and the compensation philosophy, policies and practices described in this proxy statement.

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

"RESOLVED, that the stockholders of Sarepta Therapeutics, Inc. approve, on an advisory basis, the compensation of the named executive officers for 2017, as disclosed in Sarepta Therapeutics, Inc.'s proxy statement for the Annual Meeting of Stockholders held in 2018 pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2017 Summary Compensation Table and the other related tables and disclosures within the proxy statement."

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

Vote Required and Board Recommendation

Because this proposal asks for a non-binding, advisory vote, there is no "required vote" that would constitute approval. We value the opinions expressed by our stockholders with respect to this advisory vote, and our compensation committee, which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the vote, including whether the votes cast "FOR" this proposal represent a majority of the votes cast in this proposal, when designing our compensation programs and making future compensation decisions for our named executive officers. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations. Unless the Board determines otherwise, the next "say-on-pay" advisory vote will be held at the annual meeting of stockholders in 2019.

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

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VOTE TO APPROVE THE COMPANY'S 2018 EQUITY INCENTIVE PLAN

(Proposal 3)

Proposal

We are asking our stockholders to approve our new 2018 Equity Incentive Plan (the "2018 Plan"), which was adopted by the Board on April 20, 2018, subject to and effective upon stockholder approval. The 2018 Plan is based on the terms of our Amended and Restated 2011 Equity Incentive Plan (as Amended and Restated on June 27, 2016) (the "2011 Plan") and incorporates the following key changes:

New Aggregate Share Reserve. We are requesting an aggregate share reserve of 4,387,596 shares of common stock for the 2018 Plan, representing 2,900,000 new shares, plus the number of shares available under the 2011 Plan as of the effective date of the 2018 Plan, up to a maximum of 1,487,596 shares, as of April 11, 2018. Because the available shares under the 2011 Plan will be transferred to the 2018 Plan, if this proposal is approved, we will not grant any additional equity awards under the 2011 Plan, other than with respect to shares underlying outstanding awards under the 2011 Plan that return to the share reserve under the 2011 Plan due to forfeiture, expiration or cash settlement of such outstanding awards to the extent provided in the 2011 Plan. The 2018 Plan continues the 1.41 to 1 "fungible share" ratio contained in the 2011 Plan so that for each share of common stock subject to "Full Value Awards" (as defined below) granted under the 2018 Plan, the share reserve under the 2018 Plan will be decreased by 1.41 shares. For each share of common stock subject to a Full Value Award that is forfeited or expires, the share reserve under the 2018 Plan will increase by 1.41 shares. Our Board believes it is important to obtain approval of the 2018 Plan given that the current number of shares available for awards under the 2011 Plan is not sufficient for us to provide equity incentives to eligible employees, consultants and advisors over the next year and beyond which could inhibit our ability to attract and retain quality talent.

Minimum Vesting Standards. The 2018 Plan imposes a one year minimum vesting requirement for all types of equity awards available under the 2018 Plan, other than with respect to equity awards that result in the issuance of an aggregate of up to 5% of the aggregate share reserve. Further, such vesting restriction may lapse or be waived upon a participant's disability, retirement, termination of employment or a change in control, and will lapse upon a participant's death while providing services to the Company.

No Dividends or Dividend Equivalents on Unvested Awards. The 2018 Plan contains clarifying language that any dividends or dividend equivalents on all types of awards will be subject to the restrictions applicable to the underlying award without compensation committee discretion.

Expanded of "Subsidiary" Definition. For potential future flexibility concerning the scope of employees and consultants who are eligible for awards under the 2018 Plan, the 2018 Plan expands the 2011 Plan's definition of "subsidiary" beyond solely corporations that are 50% owned by the Company and includes any entity, trade or business (including, without limitation, a partnership or limited liability company) that is directly or indirectly controlled 50% or more (whether by partnership of stock, assets or an equivalent ownership interest in voting interest).

Annual Limit on Director Compensation. The 2018 Plan provides that any equity-based awards granted to any non-employee director under the 2018 Plan in respect of any fiscal year plus any cash-based compensation granted to any non-employee director under the 2018 Plan or otherwise in respect of any fiscal year, in each case solely with respect to his or her service to the Board, may not exceed \$1 million based on the aggregate fair market value (determined as of the date of grant) of any equity-awards plus the aggregate value (determined as of the date of grant) of any cash-based compensation, except that with respect to the initial fiscal year in which a non-employee director commenced service on the Board, such annual limit is \$1,500,000. No changes are being proposed to the 2011 Plan.

❖ **Elimination of Certain Code Section 162(m) Provisions.** Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) generally limits the deductibility of compensation paid in excess of \$1,000,000 in any taxable year to certain named executive officers, subject to an exception for qualified performance-based compensation that was eliminated by recent tax reform legislation under the Tax Cuts and Jobs Act (the “TCJA”) for tax years beginning on or after January 1, 2018. The 2018 Plan eliminates certain provisions intended to satisfy the performance-based exception that are set forth in the 2011 Plan. However, because of our emphasis on performance-based compensation, the 2018 Plan generally retains the 2011 Plan provisions authorizing performance-based units, performance-based shares, and performance-based cash awards as well as the annual individual limitations on awards. No changes are being proposed to the 2011 Plan. It is intended that any awards granted under the 2011 Plan that were intended to be performance-based compensation under Section 162(m) of the Code are generally grandfathered under Section 162(m) as in effect prior to TCJA.

❖ **Term.** The term of the 2018 Plan will expire on April 20, 2028, the ten year anniversary of the Board’s adoption of the 2018 Plan.

In addition to the changes described above, the 2018 Plan includes key provisions designed to protect stockholder interests, promote effective corporate governance and reflect use of corporate governance best practices, including, but not limited to, the following:

❖ **No Discounted Options or Stock Appreciation Rights (“SARs”).** Options and SARs may not be granted with exercise prices lower than the fair market value of the underlying shares on the date of grant.

❖ **No Repricing of Options or SARs.** The 2018 Plan prohibits the repricing of options and SARs, including the replacement of outstanding options and SARs with options and SARs with a lower exercise price without stockholder approval.

❖ **No Evergreen Provision.** The 2018 Plan does not contain an “evergreen” or automatic replenishment provision pursuant to which the shares authorized under the 2018 Plan are automatically replenished.

❖ **No Automatic Grants.** The 2018 Plan does not provide for automatic grants to any participant.

The Company anticipates filing a registration statement on Form S-8 with the SEC to register the shares of common stock in the aggregate share reserve under the 2018 Plan, subject to and effective upon stockholder approval, as soon as practicable following such stockholders’ approval of the 2018 Plan.

Summary of the 2018 Plan

The following paragraphs provide a brief summary of the principal features of the 2018 Plan, and its operation. Because the following is a summary, it may not contain all of the information that is important to you. The description of the Plan contained in this proposal is qualified in its entirety by reference to the full text of the 2018 Plan, which is set forth in Appendix A to this proxy statement and is incorporated herein by reference.

Background and Purpose of the 2018 Plan

The 2018 Plan permits the grant of the following types of “Awards”: (i) non-statutory stock options that are not intended to qualify for favorable tax treatment under Section 422 of the Code, incentive stock options that are intended to qualify for favorable tax treatment under Section 422 of the Code and “SARs” granted at the fair market value of our

common stock on the date of grant; and (ii) RSAs, restricted stock units (“RSUs”) and performance units, performance shares and performance-based cash awards (collectively, “Full Value Awards”). In addition, the 2018 Plan provides that for each share of common stock subject to a Full Value Award granted under the 2018 Plan, the share reserve under the 2018 Plan will be decreased by 1.41 shares. Correspondingly, for each share of common stock subject to a Full Value Award that is forfeited or expires, the shares reserve under the 2018 Plan will be increased by 1.41 shares.

Under the 2018 Plan, the maximum number of shares underlying Awards that may be issued under the 2018 Plan is 2,900,000, plus the number of shares available under the 2011 Plan as of the effective date of the 2018 Plan up to a maximum of 1,487,596 shares which represents the approximate number of shares available under the 2011 Plan as of April 11, 2018. Shares used to pay the exercise or purchase price of an award and/or to satisfy the tax

withholding obligations related to a stock option or SAR will not become available for future grant or sale of awards under the 2018 Plan. Shares used to satisfy the tax withholding obligations related to an Award other than a stock option or SAR will become available for future grant or sale under the Plan. In addition, shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan, provided, however, that if shares issued pursuant to Awards of restricted stock, RSUs, performance shares or performance units are repurchased by the Company at the original issuance price or forfeited to the Company due to failure to vest, such shares will become available for future grant under the Plan. Because the available shares under the 2011 Plan will be transferred to the 2018 Plan, if this proposal is approved, we will not grant any additional awards under the 2011 Plan, other than with respect to shares underlying outstanding awards under the 2011 Plan that return to the share reserve under the 2011 Plan due to forfeiture, expiration or cash settlement of such outstanding awards to the extent provided in the 2011 Plan.

The 2018 Plan is intended to attract and retain the best available personnel for positions of substantial responsibility with the Company and to provide additional incentives to our employees, directors and consultants. The 2018 Plan also is intended to promote the success of our business.

Key Data

The following table includes information regarding our outstanding equity awards under all equity-based compensation plans from which shares of common stock may be issued, other than our Employee Stock Purchase Plan, and shares available for future awards under the 2011 Plan and the 2014 Plan as of April 11, 2018:

Total shares underlying all outstanding stock options and SARs	9,242,835
Weighted average exercise price of outstanding stock options and SARs	\$35.42
Weighted average remaining contractual life of outstanding stock options and SARs	7.89 years
Total shares of common stock outstanding	65,513,228
Total shares underlying all outstanding and unvested full value awards	428,871
Shares available for future awards that could be issued under the 2014 Plan ⁽¹⁾	413,362
Shares available for future awards that could be issued under the 2011 Plan ⁽²⁾	1,487,596

(1) Pursuant to the 2014 Plan, for each share of common stock subject to a Full Value Award that is issued or granted, the shares available under the Plan shall be reduced by 1.41 shares.

(2) Upon approval of the 2018 Plan, no new awards will be issued under the 2011 Plan (but outstanding awards under the 2011 Plan will continue to be governed by the 2011 Plan).

We manage our long-term dilution goal by limiting the number of shares subject to equity awards that we grant annually, commonly referred to as burn rate. Burn rate shows how rapidly a company is depleting its shares reserved for equity compensation plans, and is defined as the number of shares granted under our equity incentive plans divided by the weighted average number of common shares outstanding at the end of the year. We have calculated the burn rate under the 2011 Plan for the past three years, as set forth in the following table:

Options Granted ⁽¹⁾	Full Value Shares	Total Granted = Options+	Weighted Average	Burn Rate
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	Granted ⁽²⁾	Full Value	Shares	Number of	Common
				Shares	Shares
				Outstanding	
				(in	
				thousands)	
Fiscal 2017	1,505,722	444,515	1,950,237	58,818,000	3.3%
Fiscal 2016	1,285,051	27,647	1,312,698	48,697,000	2.7%
Fiscal 2015	2,830,078	116,783	2,946,861	42,290,000	7.0%
Three Year Average	1,873,617	196,315	2,069,932	44,588,584	4.3%

(1) These figures reflect both time based stock options and SARs granted during the applicable fiscal year and performance based stock options and SARs actually earned during the applicable fiscal year.

(2) These figures reflect both time based full value awards granted during the applicable fiscal year and performance based full value awards actually earned during the applicable fiscal year.

Administration of the 2018 Plan

Our Board, or a committee appointed by our Board (the “Administrator”), administers the 2018 Plan. If the proposal is approved, the compensation committee of our Board will act as the Administrator.

Subject to the terms of the 2018 Plan, the Administrator has the discretion to, among other things, select the directors of the Company, and employees and consultant of the Company, any parent or any subsidiary who will receive Awards, determine the terms and conditions of Awards (for example, the exercise price and vesting schedule), construe and interpret the provisions of the 2018 Plan and outstanding Awards, and make all other determinations deemed necessary or advisable for administering the 2018 Plan. To make grants to certain officers and key employees of our Company, the members of the Administrator must qualify as “non-employee directors” under Rule 16b-3 of the Securities Exchange Act of 1934.

If an Award under the 2018 Plan is forfeited, expires, or is otherwise terminated without having been fully exercised, or is settled for cash (in whole or in part), the shares subject to the Award shall, to the extent of such forfeiture, expiration, termination or settlement in cash, generally be returned to the available pool of shares reserved for issuance under the 2018 Plan. Pursuant to the 2018 Plan, for each share of common stock subject to a Full Value Award that is forfeited or expires or is settled for cash (in whole or in part), the shares available under the 2018 Plan shall be increased by 1.41 shares. As of April 11, 2018, there were 627,748 awards outstanding under our prior equity compensation plans. If we experience a dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares or other securities or other change in our corporate structure, the Administrator will adjust the number and class of shares that may be delivered under the 2018 Plan and/or the number, class, and price of shares covered by each outstanding Award, and the per-person numerical share limits set forth in the 2018 Plan in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2018 Plan .

Awards made to employees or consultants may vest over a period of not less than one year. However, the Administrator may provide that such vesting restrictions may lapse or be waived upon the disability, retirement or termination of employment of the employee or consultant, or upon a change of control of the Company; such vesting restrictions will lapse upon a participant’s death while providing services to the Company. In addition, an aggregate of up to 5% of the shares available to be issued under the 2018 Plan may be granted in the form of Awards without respect to such minimum vesting requirements.

Eligibility to Receive Awards

The Administrator selects the employees, directors and consultants who will be granted Awards under the 2018 Plan. Employees and consultants eligible to participate may provide services to the Company, any parent (as defined under the Code) or any subsidiary (which includes any entity, trade or business, including a corporation, partnership, or limited liability company, that is directly or indirectly controlled 50% or more by the Company, whether by ownership of stock, assets or an equivalent partnership interest or voting interest); directors eligible to participate are directors of the Company. Non-statutory stock options, SARs and Full Value Awards may be granted to employees, directors and consultants. Incentive stock options can only be granted to employees of the Company any parent or any subsidiary (in each case as defined in the Code). Awards made to our non-employee directors are generally made under the 2018 Plan pursuant to the Non-Employee Director Compensation Policy (as described below under “Compensation of Board”). As of April 11, 2018, the eligible class of participants includes approximately 297 employees of the Company

and its subsidiaries and five members of our Board who are the outside directors of the Company. However, the actual number of individuals who will receive an Award under the 2018 Plan cannot be determined in advance, because the Administrator has the discretion to select the participants. No Awards will be granted under the 2018 Plan until stockholder approval is obtained.

Performance Criteria

In determining whether an Award should be made, and what the vesting schedule for any such Award should be, the Administrator may impose whichever conditions to vesting that it determines to be appropriate. For example, the Administrator may decide to grant an Award only if the participant satisfies performance goals established by the Administrator. The 2018 Plan provides that performance goals may be based on one or more business criteria including: attainment of research and development milestones, bookings, business divestitures and acquisitions, cash flow, cash position, contract awards or backlog, customer renewals, customer retention rates

from an acquired company/business unit/division, earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings), earnings per share, expenses, gross margin, growth in stockholder value relative to the moving average of the S&P 500 Index or another index, internal rate of return, market share, net income, net profit, net sales, new product development, new product invention or innovation, number of customers, operating cash flow, operating expenses, operating income, operating margin, overhead or other expense reduction, product defect measures, product release timelines, productivity, profit, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales results, sales growth, stock price, time to market, TSR or working capital.

Any performance goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets, and may be measured relative to a peer group or index. The performance goals may also differ from participant to participant and from award to award. Performance goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Administrator prior to the issuance of an Award and which is consistently applied with respect to a performance goal in the relevant performance period. The Administrator will appropriately adjust any evaluation of performance under a performance goal to exclude (i) items that are unusual in nature or infrequently occurring, or both, within the meaning of FASB Accounting Standards Codification and/or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's Annual Report to stockholders for the applicable year, or (ii) the effect of any changes in accounting principles affecting the Company's or a business unit's reported results. In addition, the Administrator will adjust any performance goal or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock.

Appreciation Awards

Stock Options. A stock option is the right to purchase shares of the Company's common stock at a fixed exercise price for a fixed period of time. Under the 2018 Plan, the Administrator may grant non-statutory and incentive stock options. The Administrator will determine the number of shares covered by each option, provided that during any fiscal year no participant is granted options covering more than 500,000 shares, except that with respect to the initial fiscal year in which he or she commenced service as an employee, he or she may be granted options covering up to an additional 500,000 shares.

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

Any option granted under the 2018 Plan cannot be exercised until it becomes vested. The Administrator establishes the vesting schedule of each option at the time of the grant. Options become exercisable at the times and on the terms established by the Administrator. Options granted under the 2018 Plan expire at the times established by the Administrator, but not later than ten (10) years after the grant date. In the case of an incentive stock option granted to a participant who at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company, the maximum term of the incentive stock option will be five (5) years after the grant date.

The exercise price of each option granted under the 2018 Plan must be paid in full at the time of the exercise. The Administrator may permit payment by various means, including but not limited to: cash, check, the surrender to the Company of shares that are already owned by the participant, net exercise, a broker-assisted cashless exercise, the reduction in the amount of any Company liability to the participant, or by any other means that the Administrator determines to be consistent with the purpose of the 2018 Plan.

Stock Appreciation Rights. SARs are awards that provide the right to receive an amount equal to the increase in value of the Company's common stock over a period of time. Awards of SARs may be granted pursuant to the 2018 Plan. The Administrator determines the terms and conditions of SARs. However, no participant will be

granted SARs covering more than 500,000 shares during any fiscal year, provided that with respect to the initial fiscal year in which he or she commenced service as an employee, he or she may be granted SARs covering up to an additional 500,000 shares. In addition, no SAR may be granted with a base price less than the fair market value of our common stock on the grant date, or have a term of over ten (10) years from the date of grant. Upon exercising a SAR, the holder of such right shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the fair market value of a share of our common stock on the date of exercise and the base price by (ii) the number of shares with respect to which the SAR is exercised. The Company's obligation arising upon the exercise of a SAR may be paid in shares or in cash, or any combination thereof, as the Administrator may determine.

Full Value Awards

Under the 2018 Plan, the Administrator can make the following Full Value Awards:

Restricted Stock. Awards of restricted stock are shares that vest in accordance with the terms and conditions established by the Administrator. The Administrator will determine the number of shares of restricted stock granted to any participant, provided that during any fiscal year no participant is granted restricted stock subject to restrictions based upon the achievement of performance goals for more than an aggregate of 100,000 shares, except that with respect to the initial fiscal year in which he or she commenced service as an employee, he or she may be granted restricted stock up to an aggregate of an additional 100,000 shares. Unless the Administrator determines otherwise, once the restricted stock is issued, voting, certain dividend rights and other rights as a stockholder will exist with respect to the restricted stock. However, the restricted stock will not be transferable until the restricted stock vests.

Restricted Stock Units. RSUs are awards that obligate the Company to pay the recipient of the award a value equal to the fair market value of a specific number of shares of the Company common stock in the future if the vesting terms and conditions specified by the Administrator are satisfied. The Administrator will determine the number of shares that are subject to such RSUs, provided that during any fiscal year no participant is granted RSUs

subject to restrictions based upon the achievement of performance goals for more than an aggregate of 100,000 shares, except that with respect to the initial fiscal year in which he or she commenced service as an employee, he or she may be granted RSUs up to an aggregate of an additional 100,000 shares. Payment under an RSU may be made in cash, in shares of our common stock, or a combination thereof, and will be made as soon as practicable after the date in the award agreement, as otherwise provided by the award agreement, or as required by law.

Performance Shares and Performance Units. Performance shares are shares granted to participants with restrictions that lapse only upon the attainment of specified performance goals or other vesting criteria as the Administrator may determine. Performance units are awards that may be earned in whole or in part upon the attainment of performance goals or other vesting criteria as the Administrator may determine. Each performance unit will have an initial value that is established by the Administrator on or before the date of grant, and each performance share will have an initial value equal to the fair market value of a share on the date of grant. The Administrator will determine the number of shares of performance shares or performance units granted to any participant, provided that during any fiscal year no

participant is granted performance shares or performance units granted subject to restrictions based upon the achievement of performance goals for performance units having an initial value greater than \$3,250,000 or more than 250,000 performance shares, except that with respect to the initial fiscal year in which he or she commenced service as a service provider, he or she may be granted up to additional performance units having an initial value up to \$3,250,000 and up to an additional 250,000 performance shares. Payment of earned performance shares or performance units may be made in cash, shares of our common stock, or a combination thereof, and will be made, subject to the achievement of the specified goals prior to the expiration of the performance period provided in such award, as soon as practicable after the date in the award agreement, as otherwise provided in the award agreement, or as required by law.

Performance-Based Cash Awards. Performance-based cash awards are cash awards that are payable or otherwise based on the attainment of certain pre-established performance goals during a performance period, each as set by the Administrator. The Administrator will determine the dollar amount to be awarded pursuant to performance-based cash awards and may establish a targeted performance-based cash award applicable to a participant for a performance period, provided that the aggregate amount of compensation to be paid to any one

participant in respect of all performance-based cash awards in respect of one calendar year may not exceed \$10,000,000 per year (subject to proportionate adjustment for performance periods longer or shorter than one year). Such individual target may be expressed as a fixed dollar amount, a percentage of the participant's base pay, a percentage of a bonus pool funded by a formula as determined in the Administrator's discretion based on achievement of performance goals, or an amount determined pursuant to an objective formula or standard. The Administrator may elect to pay a participant an amount that is less than the participant's target award, regardless of the degree of attainment of the performance goals, except in certain specified circumstances following a change in control of the Company.

Change in Control

In the event of a "change in control" (as defined in the 2018 Plan), each outstanding Award will be treated as the Administrator determines without a participant's consent, including, without limitation, that the Awards may be assumed or substituted by the successor corporation (with appropriate adjustments as to the number and kind of shares and prices); upon written notice to participants, the Awards may terminate upon, or immediately prior to, the change in control; the Awards will vest and may be terminated in exchange for cash or property equal to the amount that would have been attained upon the exercise of such Award or realization of a participant's rights as of the date of the change in control; the Awards may be replaced on a substantially equivalent basis with other rights or property selected by the Administrator in its sole discretion; or any combination of the foregoing.

If the successor does not assume or substitute outstanding Awards, the options and SARs will become fully vested and exercisable, all restrictions on restricted stock, RSUs, performance shares, performance units and performance-based cash awards will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved based on 100% of target levels and all other terms and conditions met. In addition, if an option or SAR is not assumed or substituted for in the event of a change in control, the Administrator will notify the participant that the option or SAR will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the option or SAR will terminate upon the expiration of such period. Awards with an exercise or purchase price that is less than the price paid in connection with the change in control may be cancelled without participant consent.

Acceleration of Awards

If a participant in the 2018 Plan dies prior to terminating service with us, the vesting of all Awards held by him or her will fully accelerate and any restrictions on transferability will fully lapse.

Non-Transferability of Awards

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

Recovery of Compensation and Stock Ownership Guidelines

The Company adopted its Incentive Compensation Recoupment Policy (the “Recoupment Policy”), and its Stock Ownership Guidelines for Non-Employee Directors and Executive Officers (the “Stock Ownership Guidelines”), on April 27, 2016. All Awards made under the 2018 Plan are subject to the Recoupment Policy and the Stock Ownership Guidelines, where applicable, as amended and in effect from time to time.

Federal Tax Aspects

The following is a general summary under current law of the material U.S. federal income tax consequences of the grant, vesting and exercise of Awards under the 2018 Plan. This summary deals with general tax principles that apply only to employees who are citizens or residents of the United States, and is provided only for general information purposes. The following discussion does not address the tax consequences of Awards that may be subject to, and do not comply with, the rules and guidance issued pursuant to Section 409A of the Code. Section 409A has implications that affect traditional deferred compensation plans, as well as certain equity awards. Accordingly, although Awards under the 2018 Plan are generally intended to comply with, or be exempt from,

Section 409A of the Code, additional adverse tax consequences could apply to certain equity awards as a result of Section 409A based on the terms of the equity awards or modifications that may have been, or that may from time to time be, made to the provisions of the equity awards.

The following discussion does not purport to be complete, and does not cover, among other things, foreign, state and local tax treatment of participants in the 2018 Plan. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. This summary does not discuss all aspects of income taxation that may be relevant in light of personal investment circumstances. This summarized tax information is not tax advice.

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

If such a sale or disposition takes place in the year in which the participant exercises the option, the income recognized upon the sale or disposition of the shares will not be considered income for alternative minimum tax purposes. An incentive stock option that is exercised more than three months after termination of employment (other than termination by reason of death) is generally treated as a non-statutory stock option. Incentive stock options are also treated as non-statutory stock options to the extent they first become exercisable by an individual in any calendar year for shares having a fair market value (determined as of the date of grant) in excess of \$100,000.

Non-statutory Stock Options. No taxable income is reportable when a non-statutory stock option is granted to a participant, or when the option vests. Upon exercise, the participant will recognize ordinary income in an amount equal to the excess of the fair market value (on the exercise date) of the shares purchased over the exercise price of the option. Any additional gain or loss recognized upon any later disposition of the shares issued would be capital gain or loss.

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

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

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

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

Performance-Based Cash Awards. A participant generally will recognize no income upon the grant of a performance-based cash award. Upon the settlement of such award, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. In the event of an award that is settled at a time following the vesting date, income tax (but not employment tax) may be deferred beyond vesting and until actual settlement of the awards.

Gain or Loss on Sale or Disposition of Shares. In general, gain or loss from the sale or disposition of shares granted or awarded under the 2018 Plan will be treated as capital gain or loss, provided that the shares are held as capital assets at the time of the sale or exchange.

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

Tax Effect for the Company. Generally we may be entitled to a tax deduction in connection with an Award under the 2018 Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a non-statutory stock option), provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an “excess parachute payment” within the meaning of Section 280G of the Code and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Section 162(m) of the Code.

Special rules under Section 162(m) of the Code, as modified by TCJA, limit the deductibility of compensation paid by a public company during a tax year to its chief executive officer, its chief financial officer and its other three most highly compensated executive officers for that tax year (collectively, “covered employees”) and for any individual who was a covered employee of the Company during tax years beginning in 2017. Under Section 162(m) of the Code, the annual compensation paid to any covered employee will be deductible only to the extent that it does not exceed \$1,000,000. The Administrator has discretionary authority to grant Awards under the 2018 Plan in excess of this limit.

Additionally, under the so-called “golden parachute” provisions of Section 280G of the Code, the accelerated vesting of options and benefits paid under other Awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments contingent on the change of control, in excess of certain limits. If these limits are exceeded, a portion of the amounts payable to the participant may be subject to an additional 20% federal tax and may be nondeductible by the Company.

Amendment and Termination of the 2018 Plan and Prohibition on Re-Pricing or Exchange of Awards without Stockholder Approval

The 2018 Plan will continue in effect for ten years from the date of its adoption, unless terminated at an earlier time by the Administrator. The Administrator generally may amend or terminate the 2018 Plan at any time and for any reason; provided, however, that the Administrator cannot re-price or otherwise exchange options or SARs under the 2018 Plan

for Awards with lower exercise or base prices without stockholder approval. Further, the Administrator may not amend the 2018 Plan without stockholder approval to the extent that stockholder approval is required under applicable laws.

Vote Required and Board Recommendation

The affirmative vote of the majority of the votes cast by holders of our common stock present in person or represented by proxy at the Annual Meeting will be required to approve the 2018 Plan. As a result, abstentions and broker non-votes (if any) will have no effect on this Proposal.

The Board recommends that stockholders vote “FOR” the approval of the 2018 Plan.

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RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

(Proposal 4)

Our audit committee has selected the firm of KPMG LLP to be the Company's independent registered public accounting firm to conduct an audit of the Company's consolidated financial statements for the year ending December 31, 2018 and the Company's internal control over financial reporting. A representative of that firm is expected to be present at the Annual Meeting to respond to appropriate questions and will be given an opportunity to make a statement if he or she so desires. The audit committee has reviewed KPMG LLP's independence from us and our management, and considered matters in the written disclosures KPMG LLP provided to the audit committee required by the Public Company Accounting Oversight Board and the potential impact that non-audit services provided to us by KPMG LLP could have on its independence. This appointment is being submitted for ratification at the meeting. If not ratified, the audit committee will reconsider this appointment, although the audit committee will not be required to appoint different independent auditors. KPMG LLP has served as our independent auditors since 2002.

Audit and Other Fees

The following table shows fees for professional audit services billed to us by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2017 and December 31, 2016, and fees billed to us by KPMG LLP for other services provided during 2017 and 2016:

Fees	2017	2016
Audit fees	\$1,334,227	\$968,542
Audit-related fees	40,000	27,500
Tax fees	162,250	79,900
All other fees	1,800	1,800
Total	\$1,538,277	\$1,077,742

Audit fees are fees for the audit of our 2017 and 2016 consolidated financial statements included in our Annual Reports on Form 10-K, reviews of our condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q, assurance and related services that are related to the issuance of comfort letters for equity offerings and other services that are provided in connection with statutory and regulatory filings.

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

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

All other fees are fees related to subscription to KPMG LLP's Accounting Research Online.

Policy on Audit Committee Pre-Approval of Fees

The audit committee must pre-approve all services to be performed for us by KPMG LLP. Pre-approval is granted usually at regularly scheduled meetings of the audit committee. If unanticipated items arise between regularly scheduled meetings of the audit committee, the audit committee has delegated authority to the chairwoman of the audit committee to pre-approve services, in which case the chairwoman communicates such pre-approval to the full audit committee at its next meeting. The audit committee also may approve the additional unanticipated services by

either convening a special meeting or acting by unanimous written consent. During 2017 and 2016, all services provided by KPMG LLP were pre-approved by the audit committee in accordance with this policy.

Vote Required and Board Recommendation

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

The audit committee has approved the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2018.

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

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

The following table sets forth certain information regarding the ownership of our common stock as of April 23, 2018, with respect to: (i) each person known by us to beneficially own more than 5% of the outstanding shares of our common stock, (ii) each of our directors, (iii) each of our named executive officers and (iv) all directors and executive officers as a group.

Name and Address of Beneficial Owner ⁽¹⁾	Amount and	
	Nature of	Percent
	Beneficial	of
	Ownership	
	(# of Shares) ⁽²⁾	Class ⁽²⁾
Officers and Directors		
Richard J. Barry ⁽³⁾	3,267,979	5.0 %
M. Kathleen Behrens, Ph.D. ⁽⁴⁾	204,021	*
Hans Wigzell, M.D., Ph.D. ⁽⁵⁾	98,238	*
Claude Nicaise, M.D. ⁽⁶⁾	27,965	*
Michael Bonney ⁽⁷⁾	3,418	*
Douglas Ingram ⁽⁸⁾	335,000	*
Sandesh Mahatme ⁽⁹⁾	465,926	*
David Tyrone Howton ⁽¹⁰⁾	392,178	*
Alexander Cumbo ⁽¹¹⁾	202,675	*
Guriqbal S. Basi, Ph.D. ⁽¹²⁾	—	*
Edward M. Kaye, M.D. ⁽¹³⁾	400,475	*
Catherine Stehman-Breen, M.D. ⁽¹⁴⁾	29,166	*
All current directors and executive officers as a group (11 persons) ⁽¹⁵⁾	5,195,431	7.9 %
5% Stockholder		
Fidelity Investments, 245 Summer Street, Boston, MA 02210 ⁽¹⁶⁾	7,760,905	11.8 %
BlackRock, Inc., 55 East 52nd Street, New York, NY 10022 ⁽¹⁷⁾	6,286,343	9.6 %
The Vanguard Group, 100 Vanguard Blvd., Malvern PA 19355 ⁽¹⁸⁾	5,081,058	7.8 %
Capital Ventures International, Windward 1, Regatta Office Park, West Bay Road, Grand Cyman, KY1-1103 ⁽¹⁹⁾	3,598,961	5.5 %
Shares Issued and Outstanding 4/20/2018	65,527,546	

*Indicates beneficial ownership of one percent or less.

- (1) Except as otherwise indicated, the address of each stockholder identified is c/o Sarepta Therapeutics, Inc., 215 First Street, Suite 415, Cambridge, MA 02142. Except as indicated in the other footnotes to this table, each person named in this table has sole voting and investment power with respect to all shares of stock beneficially owned by that person.
- (2) Beneficial ownership is determined in accordance with rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock subject to options currently exercisable or exercisable within 60 days as of April 23, 2018 are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities, but are not considered outstanding for computing the percentage of any other person. Beneficial ownership as reported in the table above excludes shares of our common stock that

may be issued upon the exercise of stock appreciation rights, or SARs, that are exercisable within 60 days of April 23, 2018. The number of shares of common stock that will be received upon exercise of such SARs is not currently determinable and therefore is not included in the table above because each SAR gives the holder the right to receive the excess of the market price of one share of stock at the exercise date over the exercise price, which is not determinable until the date of exercise.

- (3) Includes (i) 23,547 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 3,418 shares of RSAs subject to vesting. Mr. Barry has voting power with respect to the shares subject to vesting but does not have investment power with respect to such shares until they vest.

29

- (4) Includes (i) 87,487 shares subject to options exercisable within 60 days of April 23, 2018 and (ii) 3,418 shares of RSAs subject to vesting. Dr. Behrens has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (5) Includes (i) 89,154 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 3,418 shares of RSAs subject to vesting. Dr. Wigzell has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (6) Includes (i) 23,547 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 3,418 shares of RSAs subject to vesting. Dr. Nicaise has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (7) Includes (i) 0 share of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 3,418 shares of RSAs subject to vesting. Mr. Bonney has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (8) Includes 335,000 shares of RSAs subject to vesting. Mr. Ingram has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (9) Includes (i) 423,265 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 23,906 shares of RSAs subject to vesting. Mr. Mahatme has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest. Excludes 100,000 SARs at an exercise price of \$23.85.
- (10) Includes (i) 361,060 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 19,125 shares of RSAs subject to vesting. Mr. Howton has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (11) Includes (i) 176,332 shares of our common stock subject to options exercisable within 60 days of April 23, 2018 and (ii) 16,875 shares of RSAs subject to vesting. Mr. Cumbo has voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (12) Includes 0 shares of our common stock subject to options exercisable within 60 days of April 23, 2018. Mr. Basi does not have voting power with respect to the shares of our common stock subject to vesting but does not have investment power with respect to such shares until they vest.
- (13) Includes 310,644 shares of our common stock subject to options. These options were fully vested as of August 17, 2018.
- (14) Includes 29,166 shares of our common stock subject to options exercisable within 60 days of April 23, 2018.
- (15) Includes 1,353,614 shares of our common stock subject to options exercisable within 60 days of April 23, 2018. Of the shares of common stock reported, 428,871 shares of RSAs are subject to vesting; such directors and officers have voting power with respect to the shares of common stock subject to vesting but do not have investment power with respect to such shares until they vest. Excludes 100,000 SARs that are fully vested.
- (16) Based solely on information contained in the Schedule 13G/A filed with the SEC on February 9, 2018, reporting beneficial ownership of Fidelity Investments. Fidelity Investments has sole voting power over 1,998,470 shares of our common stock and sole dispositive power over 7,760,905 shares of our common stock.
- (17) Based solely on information contained in the Schedule 13G/A filed with the SEC on February 7, 2018, reporting beneficial ownership of The Vanguard Group. The Vanguard Group has sole voting power over 106,854 shares of our common stock, shared voting power of 9,450 of our common stock, sole dispositive power over 4,970,119 shares of our common stock and shared dispositive power over 110,939 shares.
- (18) Based solely on information contained in the Schedule 13G/A filed with the SEC on January 23, 2018, reporting beneficial ownership of BlackRock, Inc. BlackRock Inc. has sole voting power over 6,161,749 shares of our common stock and sole dispositive power over 6,286,343 shares of our common stock.

(19) Based solely on information contained in the jointly filed Schedule 13G/A filed with the SEC on February 9, 2018 by Capital Ventures International, Susquehanna Advisors Group, Inc., G1 Execution Services, LLC, Susquehanna Investment Group and Susquehanna Securities (the “Reporting Persons”). According to this Schedule 13G/A, Capital Ventures International has sole voting power and dispositive power over 1,000,000 shares of our common stock, G1 Execution Services, LLC has sole voting power and dispositive power over 21,813 shares of our common stock, Susquehanna Investment Group has sole voting power and dispositive power over 76,700 shares of our common stock, Susquehanna Securities has sole voting power and dispositive power over 2,500,448 shares of our common stock and the Reporting Persons, which may be deemed a group, have shared voting power and dispositive power over 3,598,961 shares of our common stock.

Equity Compensation Plan Information

The table below summarizes information, as of December 31, 2017, with respect to shares of our common stock that may be issued under our equity plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights	Weighted average exercise price of outstanding options and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))
	(a)		(b)
Equity compensation plans approved by security holders	4,663,155 ⁽¹⁾	\$ 25.01	2,778,453 ⁽²⁾
Equity compensation plans not approved by security holders ⁽³⁾	20,309	\$ 8.28	—
Equity compensation plan not approved by security holders ⁽⁴⁾	4,289,292	\$ 34.77	609,171
Total	8,972,756	\$ 29.64	3,387,624

(1) Of the number of securities to be issued upon exercise, 4,623,821 shares of our common stock are subject to outstanding options under the 2011 Plan, and 39,334 shares of our common stock are subject to outstanding options under the AVI BioPharma Inc. 2002 Equity Incentive Plan (the “2002 Plan”). Following the adoption of the 2018 Plan, no further grants will be, or have been, made under the 2011 Plan, other than with respect to shares underlying outstanding awards under the 2011 Plan that return to the share reserve under the 2011 Plan due to forfeiture, expiration or cash settlement of such outstanding awards to the extent provided in the 2011 Plan. Following the adoption of the 2011 Plan, no further grants were made under the 2002 Plan. Awards previously granted pursuant to the 2011 Plan and the 2002 Plan will continue to be governed by the terms of the 2011 Plan or the 2002 Plan, respectively, and the applicable award agreements.

(2)

Represents 2,540,093 shares of our common stock that were available for future issuance under the 2011 Plan and 238,360 shares of our common stock reserved for issuance under the 2013 Employee Stock Purchase Plan.

- (3) In June 2011, as a material inducement for Edward M. Kaye, M.D., to commence employment with us, we granted Dr. Kaye an option to purchase 141,667 shares of our common stock for an exercise price per share of \$8.28, as adjusted for our July 2012 one-for-six reverse stock split, outside of any stockholder approved equity incentive plan.
- (4) In February 2014, to facilitate inducement awards to new hires under NASDAQ listing Rule 5635(c)(4), the Company adopted the 2014 Plan. In June 2017, the Board approved an increase to the 2014 Plan by another 3,800,000 shares of common stock.

31

AUDIT COMMITTEE REPORT

The information contained in this report will not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to the liabilities of Section 18 of the Exchange Act, nor will such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.

The audit committee oversees the financial reporting process of the Company on behalf of our Board. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the audit committee reviewed the audited financial statements in our Annual Report with management, including a discussion of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the consolidated financial statements.

The audit committee reviewed with KPMG LLP, our independent registered public accounting firm that is responsible for expressing an opinion on the conformity of audited consolidated financial statements with generally accepted accounting principles and an opinion on our internal controls over financial reporting, KPMG LLP’s judgments about our accounting principles and the other matters required to be discussed with the audit committee under generally accepted auditing standards, including Auditing Standard No. 1301, Communications with Audit Committees, as amended and adopted by the Public Company Accounting Oversight Board. The audit committee has received from KPMG LLP the written disclosure and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant’s communications with the audit committee concerning independence, and the audit committee has discussed with KPMG LLP their independence. The audit committee has considered the effect of non-audit fees on the independence of KPMG LLP and has concluded that such non-audit services are compatible with the independence of KPMG LLP.

The audit committee discussed with KPMG LLP the overall scope and plans for its audits. The audit committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of its audits and quarterly reviews, its observations regarding our internal controls and the overall quality of our financial reporting. The audit committee held a total of seven meetings during 2017.

In reliance on the reviews and discussions referred to above, the audit committee recommended to the Board, and the board of directors has approved, that the 2017 audited consolidated financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the Securities and Exchange Commission.

This report has been furnished by the members of the audit committee.

AUDIT COMMITTEE

M. Kathleen Behrens, Ph.D., Chairwoman

Richard J. Barry

Michael W. Bonney

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CORPORATE GOVERNANCE AND BOARD MATTERS

Board's Role in Risk Oversight

The Board and its standing committees (audit, compensation and nominating and corporate governance) oversee the management of risks inherent in the operation of our business. The Board has delegated certain risk management responsibilities to its committees. The Board and the audit committee evaluate our policies with respect to risk assessment and risk management, and monitor our liquidity risk, regulatory risk, operational risk and enterprise risk by regular reviews with management and external auditors and other advisors. In its periodic meetings with the independent accountants, the audit committee discusses the scope and plan for the audit and includes management in its review of accounting and financial controls, assessment of business risks and legal and ethical compliance programs. The Board and the nominating and corporate governance committee monitor our governance and succession risk by regular review with management and outside advisors. As part of its responsibilities, the compensation committee reviews the impact of our executive compensation program and the associated incentives to determine whether they present a significant risk to us. The compensation committee has concluded, based on its reviews and analysis of our compensation policies and procedures, that such policies and procedures are not reasonably likely to have a material adverse effect on us.

Board Leadership Structure

The positions of Chief Executive Officer and Non-Executive Chairwoman of the Board are held by two different individuals. Currently, Mr. Ingram serves as our Chief Executive Officer and Dr. Behrens serves as our Chairwoman of the Board. Our Non-Executive Chairwoman has many of the duties and responsibilities that a "lead independent director" might have and, therefore, the Board has determined not to designate a separate "lead independent director." This current structure allows our Chief Executive Officer to focus on our strategic direction and our day-to-day business while our Non-Executive Chairwoman provides guidance to the Chief Executive Officer and leads the Board in its fundamental role of providing advice to, and independent oversight of, management. The Board recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position given our commercial stage, as well as the commitment required to serve as our Non-Executive Chairwoman. The Board believes that this leadership structure is appropriate because it allows us to speak externally to our various constituents, as well as internally to our officers and employees, on a unified and consistent basis, and fosters clear accountability and effective decision-making. At the same time, our Board's structure incorporates appropriate independence and programs for risk management oversight of our overall operations, including our compensation programs. The Board will continue to assess the appropriateness of this structure as part of the Board's broader succession planning process.

We have been, and continue to be, a strong advocate of the independence of the Board and have put into place measures to see that the members of our Board provide independent oversight. The Board believes that it also has established substantial independent oversight of management. For example, all of our current directors and director nominees, except for Mr. Ingram, are independent under the NASDAQ guidelines. In addition, each of the Board's four standing committees is currently comprised solely of independent directors. Each of the standing committees operates under a written charter adopted by the Board. Also, our non-management directors meet in executive session periodically without management in attendance. One result of this focus on director independence is that oversight of critical matters, such as the integrity of our financial statements, employee compensation, including compensation of the executive officers, the selection of directors and the evaluation of the Board and its committees, is entrusted to independent directors.

Board and Committee Meetings

During 2017, our Board met sixteen times and acted by unanimous written consent twice. During 2017, our audit committee met seven times and did not act by written consent, our compensation committee met fourteen times and acted by written consent thirteen times, and our nominating and corporate governance committee met seven times and

did not act by written consent. All of our directors attended more than 75% of the aggregate of all meetings of the Board and committees on which such director served. Although we do not have a formal policy regarding attendance by members of the Board at our annual meeting of stockholders, our directors are encouraged to attend. Of our six directors serving on our Board at the time of the annual meeting in 2017, the five directors with ongoing terms attended the 2017 annual meeting of stockholders.

Determination Regarding Director Independence

The Board has determined that each of our current directors, except for Mr. Ingram, is an “independent director” as that term is defined in NASDAQ Marketplace Rule 5605(a)(2). The independent directors generally meet in executive session at least quarterly.

The Board has also determined that each current member of the audit committee, the compensation committee and the nominating and corporate governance committee meets the independence standards applicable to those committees prescribed by the NASDAQ, the SEC and the Internal Revenue Service.

Code of Conduct

We have adopted a Code of Business Conduct and Ethics (the “Code of Conduct”). The Code of Conduct applies to all directors and employees, including all officers, managers and supervisors, and is intended to ensure full, fair, accurate, timely and understandable disclosures in our public documents and reports, compliance with applicable laws, prompt internal reporting of violations of these standards and accountability for adherence to standards. We have contracted with Ethicspoint to provide a method for employees and others to report violations of the Code of Conduct anonymously. A copy of the Code of Conduct is posted on our website at www.sarepta.com under “Investor Relations - Corporate Governance.” We also prohibit hedging and pledging transactions involving Company securities by our directors and Section 16 officers and have documented specific guidelines through establishing Procedures and Guidelines Governing Insider Trading and Tipping, as amended.

Committees of the Board

During 2017, our Board had four standing committees: the audit committee, the compensation committee, the nominating and corporate governance committee and the research and development committee. The charters for the audit committee, the compensation committee and the nominating and corporate governance committee of the Board, as adopted by our Board, are available on our website at www.sarepta.com under “Investor Relations — Corporate Governance.” The functions performed by each committee and the members of each committee are described below.

Audit Committee

The audit committee reviews with our independent registered public accounting firm the scope, results and costs of the annual audit and our accounting policies and financial reporting. Our audit committee (i) has direct responsibility for the appointment, compensation, retention and oversight of our independent registered public accounting firm, (ii) discusses with our auditors their independence from management, (iii) reviews the scope of the independent annual audit, (iv) establishes procedures for handling complaints regarding our accounting practices, (v) oversees the annual and quarterly financial reporting process, (vi) has authority to engage any independent advisors it deems necessary to carry out its duties, and (vii) has appropriate funding to engage any necessary outside advisors. A full description of the responsibilities and duties of the audit committee is contained in the audit committee charter. The current members of the audit committee are M. Kathleen Behrens, Ph.D. (Chairwoman), Richard J. Barry and Michael W. Bonney. The Board has determined that Dr. Behrens is an “audit committee financial expert” as that term is defined in Item 407(d)(5) of Regulation S-K promulgated by the SEC. The audit committee report is included in this proxy statement. The audit committee charter requires the audit committee to review and assess the charter’s adequacy annually.

Compensation Committee

The compensation committee oversees our compensation and benefits practices and programs, as more fully described in the “Compensation Discussion and Analysis” section later in this proxy statement. The current members of the compensation committee are Claude Nicaise, M.D. (Chairman) and Richard J. Barry. The compensation committee report is set forth in the “Compensation Committee Report” section later in this proxy statement.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee reviews candidates and makes recommendations of nominees for the Board. The nominating and corporate governance committee also is responsible for considering and making recommendations to the Board concerning the appropriate size, functions and needs of the Board, and ensuring compliance with the Code of Conduct. As part of its duties, the nominating and corporate governance committee will consider individuals who are properly proposed by stockholders to serve on the Board in accordance with laws and regulations established by the SEC and NASDAQ Global Select Market, our Bylaws and applicable corporate law, and make recommendations to the Board regarding such individuals based on the established criteria for members of our Board. The nominating and corporate governance committee may consider in the future whether we should adopt a more formal policy regarding stockholder nominations. The current members of the nominating and corporate governance committee are Richard J. Barry (Chairman) and Hans Wigzell, M.D., Ph.D.

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee our business. In addition, the Board believes that there are certain attributes that every member of the Board should possess, as reflected in the Board's membership criteria. Accordingly, the Board and the nominating and corporate governance committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and our current and future needs. The nominating and corporate governance committee has not established specific minimum age, education and years of business experience or specific types of skills for potential candidates, but, in general, expects qualified candidates will have ample experience and a proven record of business success and leadership. In general, each director will have the highest personal and professional ethics, integrity and values and will consistently exercise sound and objective business judgment. It is expected that the Board as a whole will have individuals with significant appropriate senior management and leadership experience, a long-term and strategic perspective, the ability to advance constructive debate and a global perspective. These qualifications and attributes are not the only factors the nominating and corporate governance committee will consider in evaluating a candidate for nomination to the Board, and the nominating and corporate governance committee may reevaluate these qualifications and attributes at any time.

The nominating and corporate governance committee is responsible for developing and recommending Board membership criteria to the Board for approval. The criteria include the candidate's business experience, qualifications, attributes and skills relevant to the management and oversight of our business, independence, judgment and integrity, ability to commit sufficient time and attention to Board activities, and any potential conflicts with our business and interests. In addition, the Board and the nominating and corporate governance committee annually evaluate the composition of the Board to assess the skills and experience that are currently represented, as well as the skills and experience that the Board will find valuable in the future, given our strategic plans. While not maintaining a specific policy on Board diversity requirements, the Board and the nominating and corporate governance committee believe that diversity is an important factor in determining the composition of the Board and, therefore, seek a variety of occupational and personal backgrounds for its members in order to obtain a broad range of viewpoints and perspectives and to enhance the diversity of the Board. This annual evaluation of the Board's composition enables the Board and the nominating and corporate governance committee to update the skills and experience they seek in the Board as a whole, and in individual directors, as our needs evolve and change over time and to assess the effectiveness of efforts at pursuing diversity. In identifying director candidates from time to time, the Board and the nominating and corporate governance committee may identify specific skills and experience that they believe we should seek in order to constitute a balanced and effective Board.

The nominating and corporate governance committee will consider for nomination to the Board candidates recommended by stockholders, provided that such recommendations are delivered to the nominating and corporate governance committee in the manner described below under "—Communications with the Board," together with the information required to be filed in a proxy statement with the SEC regarding director nominees and each such nominee's consent to serve as a director if elected. The nominating and corporate governance committee must receive

the foregoing information no later than the deadline for submission of stockholder proposals pursuant to Rule 14a-8, as set forth above under “Stockholder Proposals for the 2019 Annual Meeting.” The nominating and corporate governance committee will consider nominations to the Board from stockholders who comply with the foregoing procedures and will consider such nominations using the same criteria it applies to evaluate nominees recommended by other sources, which is described above.

Except as set forth above, the nominating and corporate governance committee does not have a formal process for identifying and evaluating nominees for director. The nominating and corporate governance committee does not currently engage any third-party director search firms, but may do so in the future if it deems such engagement appropriate and in our best interests. These matters will be considered by the nominating and corporate governance committee in due course, and, if appropriate, the nominating and corporate governance committee will make a recommendation to the Board addressing the nomination process.

Communications with the Board

The Board welcomes and encourages stockholders to share their thoughts regarding our Company. While the Board encourages such communication, for a variety of reasons, including, but not limited to compliance with securities laws, fiduciary duties of the directors and good business practices relating to corporate communications, our preference is that stockholders communicate with the Board in compliance with our communications policy. Our communications policy, as adopted by the Board, provides that all communications should be in writing and directed to the attention of our Investor Relations Department at Sarepta Therapeutics, Inc., 215 First Street, Suite 415, Cambridge, MA 02142, or investors@sarepta.com. Our Investor Relations Department will review the communication, and if the communication is determined to be relevant to our business operations, policies, or procedures (and not vulgar, threatening, or of an inappropriate nature), Investor Relations will then distribute a copy of the communication to the chair of the Board, the chair of the audit committee, and our internal and outside counsel. Based on the input and decision of these persons, along with the entire Board, if it is deemed necessary, we, through our Investor Relations Department, will respond to the communication.

Compensation of Board

We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the significant amount of time that the members of the Board expend in fulfilling their duties to us as well as the skill level we require of our directors. Members of the Board receive cash compensation in U.S. dollars. We also reimburse our directors for travel and other necessary business expenses incurred in the performance of their services for us.

In September 2010, our Board, upon the recommendation of the compensation committee, approved and adopted a Non-Employee Director Compensation Policy (the “Director Compensation Policy”). Director compensation is reviewed annually by the compensation committee’s independent, third-party consultant, which currently is Radford. Generally, in reviewing the terms and competitiveness of our director compensation, our independent compensation consultant uses the same peer group companies used for executive compensation comparisons. When it deems appropriate, the compensation committee adjusts director compensation.

In connection with Proposal 3 relating to approval of the 2018 Plan, the 2018 Plan provides that any equity-based awards granted to any non-employee director under the 2018 Plan in respect of any fiscal year plus any cash-based compensation granted to any non-employee director under the 2018 Plan or otherwise in respect of any fiscal year, in each case solely with respect to his or her service to the Board, may not exceed \$1 million based on the aggregate fair market value (determined as of the date of grant) of any equity-based awards plus the aggregate value (determined as of the date of grant) of any cash-based compensation, except that with respect to the initial fiscal year in which a non-employee director commenced service on the Board, such annual limit is \$1,500,000.

Cash Compensation

Under the cash compensation component of the Director Compensation Policy, as was updated by our Board in 2017 upon the recommendation of the compensation committee and after consideration of peer data presented by its independent compensation consultants, our non-employee directors received cash compensation of \$50,000 per year for their service on the Board. In addition, any non-employee director serving as chair, or interim chair, of the Board

received an additional \$36,000 per year for such service as chair. The chair of the audit committee received an additional fee of \$25,000 per year for such service; the chair of the compensation committee received an additional fee of \$16,000 per year for such service; and the chair of the nominating and corporate governance committee received an additional fee of \$13,000 per year for such service. Finally, members of committees who are not serving as the chairs of such committees received an additional fee of \$12,500 per year for services as audit committee members, \$8,000 per year for services as compensation committee members and \$6,500 per year for services as nominating and corporate governance committee members. All cash fees are paid on a quarterly basis at the beginning of the applicable quarter. The cash compensation paid to our non-employee directors for their services on our Board and its committees during 2017 was as described above.

Stock-Based Compensation

Initial Option Grants. In March 2017, our Board approved a change to our Director Compensation Policy, based on our peer group data. Under the revised Director Compensation Policy, each individual who is first elected, or appointed, as a non-employee member of the Board is automatically granted an option to purchase 16,400 shares of our common stock (instead of 18,000 shares prior to the change). The shares underlying the initial option grants will vest over four years of continued service to the Board, with 25% of the total number of shares underlying the option vesting each year on the earlier of (i) the anniversary date of the grant, and (ii) the date of the Annual Meeting of our stockholders in the year following the date of grant.

Annual Option Grants. In March 2017, our Board approved a change to our Director Compensation Policy, based on our peer group data, which increased the annual director option to purchase shares of our common stock from 10,500 to 12,350 options. The annual grant received by our non-employee directors in March 2017 was in the form of an option to purchase 12,350 shares of our common stock, vesting on a monthly basis, over two years, at a rate of 1/24th of the total option grant, commencing on the first monthly anniversary of the date of the 2017 annual meeting of our stockholders.

Annual Restricted Stock Grants. Pursuant to our current Director Compensation Policy, each non-employee director serving on our Board for at least six months automatically receives an award of 1,000 restricted shares. Each of our non-employee directors at that time was eligible for, and received, a grant of 1,000 restricted shares in March 2017. The restricted shares will fully vest on the date of the annual meeting of our stockholders in the year following the date of grant, provided that the non-employee director continues to serve as a director through such date.

The following table sets forth compensation information for our current and former non-employee directors that served on our Board in 2017. All compensation numbers are expressed in U.S. dollars.

Name	Fee Earned		or Paid		All Other Compensation	Total
	Cash	Stock Awards ⁽¹⁾	in	Option Awards ⁽¹⁾		
Current Directors:						
M. Kathleen Behrens, Ph.D.	\$ 130,168	\$ 32,630		\$ 198,072	—	\$ 360,870
Richard J. Barry	\$ 96,372	\$ 32,630		\$ 198,072	—	\$ 327,074
Claude Nicaise, M.D.	\$ 68,804	\$ 32,630		\$ 198,072	—	\$ 299,505
Hans Wigzell, M.D., Ph.D.	\$ 77,293	\$ 32,630		\$ 198,072	—	\$ 307,994
Michael W. Bonney	—	—		\$ 415,630	—	\$ 415,630
Former Directors:						
Jean-Paul Kress	\$ 50,842	\$ 32,630		\$ 198,072	—	\$ 281,543

(1) The amounts in the “Stock Awards” and “Option Awards” columns reflect the aggregate grant date fair value of restricted stock and option awards granted in 2017 calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of this amount are included in Note 14 to the consolidated financial statements set forth in our Annual Report. As of December 31, 2017, each of our current directors had the following number of options and shares of restricted stock units outstanding, respectively: Dr. Behrens: 97,850 and 1,000; Mr. Barry: 32,596 and 1,000; Dr. Nicaise: 32,596 and 1,000; Dr. Wigzell: 99,517 and 1,000, and Mr. Bonney: 16,400 and 0.

(2)Dr. Kress ended his term with the Board and its committees effective on June 6, 2017.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The Compensation Discussion and Analysis (CD&A) that follows is organized in three parts:

- I. 2017 Compensation Program Overview and Factors That Influenced 2017 Named Executive Officer Compensation
- II. 2017 Named Executive Officer Compensation
- III. Compensation Agreements for Named Executive Officers

Throughout this CD&A, individuals who served as our principal executive officers and principal financial officer during 2017, as well as the other individuals included in the Summary Compensation Table included herein, are referred to as the “named executive officers.” Our named executive officers for 2017 were:

- Douglas S. Ingram, our President and Chief Executive Officer⁽¹⁾
- Sandesh Mahatme, our Executive Vice President, Chief Financial Officer and Chief Business Officer
- Guriqbal S. Basi, Ph.D., our Senior Vice President and Chief Scientific Officer⁽²⁾
- Alexander “Bo” Cumbo, our Senior Vice President and Chief Commercial Officer
- David Tyrone Howton, Jr., our Senior Vice President, General Counsel and Corporate Secretary
- Edward M. Kaye, M.D., our former President and Chief Executive Officer⁽³⁾
- Catherine Stehman-Breen, M.D., our former Senior Vice President, Chief Medical Officer⁽⁴⁾

(1) Mr. Ingram was appointed on June 26, 2017 to serve as our President and Chief Executive Officer, as well as a Group I director.

(2) Dr. Basi was appointed on September 25, 2017 to serve as our Chief Scientific Officer.

(3) Dr. Kaye resigned as President and Chief Executive Officer effective on June 26, 2017.

(4) Dr. Stehman-Breen was appointed on April 3, 2017 to serve as our Chief Medical Officer. Her employment with us ended on December 15, 2017.

I. 2017 Compensation Program Overview and Factors That Influenced 2017 Named Executive Officer Compensation

2017 Compensation Program in Light of a Successful Launch of EXONDYS 51 and CEO Transition

2017 was an important year for the Company. After receiving FDA approval for its first product in September 2016, the Company entered 2017 with the goal of successfully launching EXONDYS 51 in the U.S., advancing its multiple genetic medicine platforms and preparing for global commercialization. In the face of a challenging reimbursement landscape, the Company achieved a very successful first full year launch, doubling its original revenue guidance for 2017. In addition, the Company launched an early access program and built commercial infrastructure in the EU in preparation for a potential approval of the Company’s marketing authorization application for eteplirsén. The Company also executed its strategy to maintain leadership position in the rare disease space by entering into a gene therapy exclusive license option agreement with Genethon and into a sponsored research and exclusive license option agreement with Duke University related to certain CRISPR/Cas9 technology that has the potential to restore dystrophin expression by removing or “excising” exons from the dystrophin gene. The Company built for the future in 2017, significantly advancing its RNA-based and gene therapy pipeline, announcing positive results on its next RNA-based DMD therapy, golodirsén, commencing a first-in-human study for its second generation novel technology, PPMO, for the treatment of DMD in patients who are amenable to exon 51 skipping, bolstering its balance sheet with an equity raise and convertible note offering, and ensuring adequate manufacturing supply for clinical and commercial needs.

The Company's achievements were reflected in impressive TSR. Our one-year TSR of 102.84% was significantly higher than that of the NASDAQ Biotechnology Index (21.66%) and that of the NASDAQ Composite Index (29.73%); our three-year TSR was 284.52%, while that of the NASDAQ Biotechnology Index and the NASDAQ Composite Index were only 6.94% and 51.36%, respectively; and our five-year TSR of 115.66% was slightly below that of the NASDAQ Biotechnology Index (138.59%) and that of the NASDAQ Composite Index (143.54%). The Company's accomplishments in 2017 are directly tied to the performance of the Company's named executive officers, and thus were an important factor in determining the named executive officers' compensation for 2017.

2017 was also a year of transition. In June 2017, Dr. Kaye tendered his resignation as President and Chief Executive Officer, and the Board nominated Mr. Ingram for this position.

Two goals led our recruitment efforts. First, we wanted to attract an exceptional Chief Executive Officer. In doing so, we had to compete with other companies in the biotech space, many of which were private and could offer large equity stakes compared to their public company equivalents. Second, we were searching for an individual who would be willing to fully align his or her financial interests with the financial interests of our stockholders by tying his own success or failure with the Company's performance and stockholder value. Our new Chief Executive Officer's compensation package was tailored to fit such a personality. Since the vast majority of Mr. Ingram's compensation is in the form of performance-based ("at-risk") awards, the only way to maximize his compensation is to achieve outstanding performance for the Company and at the same time outperform the biotech industry. Under this model, Mr. Ingram may earn a significant stake in the Company, but only through the achievement of performance metrics that, if reached, would also reflect a significant return to stockholders. Indeed, our innovative compensation structure gives Mr. Ingram the opportunity to obtain a high value award if the Company is outperforming, but it also entails a big risk of losing a substantial portion of the award, or even all of it, if the Company does not perform well and does not outperform the biotech industry.

Using this unique model, we granted Mr. Ingram the following two inducement equity awards under the 2014 Plan as an inducement material to his entering into the employment agreement: (1) a time-based restricted stock award; and (2) a performance-based option award.

In determining the terms of these awards, we took into account, among other things, Mr. Ingram's extensive experience in our industry, the compensation commanded by principal executive officers at our peer group, the competitive landscape for top talent and input from Radford, our independent consultant. We were specifically guided by the following parameters when crafting the performance-based option award, which is quadruple the fair value of the restricted stock award:

Performance Measurements: The option award is contingent on and linked to (1) the Company's stock performance over five years and (2) the Company's performance relative to other biotech companies during such period. The Company's performance is measured by the CAGR of our stock over a 5-year period, which we considered to be more accurate than TSR. The formula sets challenging CAGR thresholds for maximum compensation, which were developed through the assessment of compounded growth rates for several leading biotech companies over highly successful periods in their development. The outperformance relative to other biotech companies is measured by comparing our five year CAGR to the CAGR of the NASDAQ Biotech Index. We selected the NASDAQ Biotech Index because it is more challenging to beat than broader pharmaceutical sector indexes, as indicated by high returns over the past five years (approximately 22%).

Linear Formula: The percentage of the award vesting can be anywhere in the range of 0% to 100%, depending on the Company's stock price CAGR and the Company's outperformance relative to other biotech companies during a 5-year period.

Potential Ownership Percentage: To attract top talent and to be able to compete with privately-held companies, which have greater flexibility in offering equity, we granted equity that can potentially result in Mr. Ingram owning approximately 6.6% of the Company if all performance metrics are fully satisfied.² If performance criteria are not met, Mr. Ingram will obtain a lower interest in the Company, potentially down to 0%.

² Assuming 55,002,586 shares outstanding.

39

5-Year Vesting Period: To reward sustained and continued outperformance, and to eliminate the ability to meet thresholds due to short term and arbitrary market factors, there is a 5-year cliff vesting, as opposed to vesting on a yearly basis in tranches.

We believe that such compensation structure aligns with stockholders' interests due to the following key features of the awards:

Chief Executive Officer's Financial Success is Closely Linked to the Company's Growth: The option award is contingent on and linked to both the Company's stock performance over five years and to the Company's performance relative to other biotech companies during such period. As the Company performs better, the vesting percentage increases, up to the maximum amount granted. No portion of the option award will vest if the Company's stock price CAGR over the 5-year period is less than 15% or if such CAGR does not exceed (or, in certain limited cases, meet) the CAGR of the Biotech Index during the same 5-year period. This formula ensures that if stockholders realize a marginal return through lack of stock appreciation or poor performance relative to the biotech market, Mr. Ingram will likewise receive diminished compensation. Conversely, appreciable stock value growth over the 5-year period that also exceeds the biotech index will likely result in significant stockholder return and, at the same time, afford Mr. Ingram the opportunity to realize greater compensation. In this manner, the Company has sought to directly align Mr. Ingram's compensation with stockholder interests.

Performance-Based, "At-Risk" Award: Despite the high fair value of the performance-based option award as shown in the compensation tables below, it is not certain what percentage of such option will vest, if at all. Such percentage is dependent on the Company's performance as described above.

High Performance Thresholds: The option award's complex formula sets very challenging thresholds, which were designed based on past outperformance of top leading biotech companies. In order for the performance-based option award to fully vest, our stock would need to increase by at least 438% in the 5-year period following the grant date (from \$34.65 to approximately \$186.5 per share), and the Company's share price CAGR would need to exceed the CAGR of the NASDAQ Biotech Index by at least 5% in the same period. Importantly, the use of the Biotech Index ensures that Mr. Ingram cannot benefit from stock appreciation resulting merely from market factors, but in fact must beat the performance of other companies in the sector. These high thresholds are designed to incentivize our new Chief Executive Officer to focus on the Company's growth and how it can outperform its peers over a 5-year period.

Extended Vesting Periods: The time-based restricted shares vest gradually over 4 years, and a portion of the performance-based option (ranging from 0% to 100%) vests 5 years after the grant date. The extended vesting periods are designed to incentivize our new Chief Executive Officer to focus on the long-term interests of the Company and reward sustained and continued outperformance over an extended period of time. These extended vesting periods also eliminate the potential for large annual payments based on short term market dynamics that may be unrelated to company performance and serve as a retention mechanism as they raise Mr. Ingram's cost of pursuing a new opportunity outside the Company.

No Additional Equity Awards in the First Five Years of Employment: the performance-based option award was granted to Mr. Ingram in lieu of any future annual equity awards for the first five years of his employment. Hence, the Board does not anticipate granting Mr. Ingram additional incentive awards for the first five years of his employment.

Alignment of Financial Interests with those of Stockholders: The restricted stock award, and potentially the performance-based option award, will increase Mr. Ingram's equity ownership, and hence will align his long-term financial interests with those of our stockholders. To further align his interests with those of our stockholders, but not required by any agreement or understanding with the Company, Mr. Ingram purchased shares of the Company's common stock in the sum of approximately \$4 million in July and November 2017.

Both of the awards are subject to clawback under circumstances set forth in Mr. Ingram's employment agreement with the Company, including under the Company's clawback policy.

A substantial portion of compensation for each named executive officer is tied to our performance, with 99% of Mr. Ingram's compensation and 82% of compensation for the other named executive officers based on Company performance and paid in long-term equity incentive awards (whether vesting on the basis of time or achievement of performance metrics) and annual bonuses.

These and other compensation decisions are further detailed below.

The Compensation Committee

Our executive and Board compensation programs are administered by our compensation committee. The compensation committee is responsible for reviewing, assessing and approving all elements of compensation for our named executive officers. In addition, the compensation committee is directly responsible for establishing annual Company-wide performance goals. The compensation committee's responsibilities related to executive compensation include, among other things: (i) evaluating the performance of our Chief Executive Officer and other named executive officers in light of the approved corporate goals, (ii) setting the compensation of the Chief Executive Officer and other named executive officers based upon the evaluation of their performance and (iii) making recommendations to the Board with respect to new cash-based incentive compensation plans and equity-based compensation plans. The compensation committee is also responsible for assessing appropriate compensation programs for our Board, and for preparing an annual self-evaluation report of the compensation committee.

The compensation committee is currently composed of two directors: Claude Nicaise, M.D. (Chairman) and Richard J. Barry. Each member of the compensation committee is an "outside director" for purposes of Section 162(m) of the Code, a "non-employee director" for purposes of Exchange Act Rule 16b-3, and satisfies NASDAQ's independence requirements. In 2017, one former director, Jean-Paul Kress, M.D., served as a member of the compensation committee until his service with the Board and its committees ended effective on June 6, 2017.

Overview of Sarepta's Named Executive Officer Compensation Program

Objectives and Design

The objectives of our named executive officer compensation policies and programs are to attract and retain well-qualified senior executive management, to motivate their performance toward clearly defined goals and to align their long-term interests with those of our stockholders. In addition, our compensation committee believes that maintaining and improving the quality and skills of our executive management team, and appropriately incentivizing their performance, are critical factors affecting our stockholders' realization of long-term value. We intend for total compensation and each of its components, including base salary, incentive cash compensation, equity compensation and benefits to be competitive in the biopharmaceutical marketplace for suitable talent and in accordance with our short- and long-term goals. Remaining competitive is essential to attracting and retaining executive level employees during this critical stage of launching the Company's first product and expanding globally. The launch of EXONDYS 51 not only requires an experienced executive team, but also one that is able, willing and properly incentivized to meet the higher demands required of them at our Company versus the effort that may be required at equivalent executive positions in more established and mature companies. The overall market for experienced management is highly competitive in the life sciences and biopharmaceutical industries and we face substantial competition in recruiting and retaining top professionals from companies ranging from large and established biopharmaceutical companies to entrepreneurial early stage companies. We expect competition for appropriate technical, commercial and management skills to remain strong for the foreseeable future.

To ensure competitiveness of our compensation program without yielding to excessive compensation practices, our compensation committee works closely with an independent compensation consultant throughout the year. Peer group benchmarking data is one of the key factors considered by the compensation committee in setting named executive officer compensation levels and making other compensation decisions. While starting base salaries and our benefit

programs are fixed, merit salary increases, actual cash incentive awards and annual equity grants are based on performance against strategic and operational goals.

Commitment to Pay for Performance

When making compensation decisions for our named executive officers, the compensation committee must take into consideration performance over the prior year for purposes of cash compensation as well as potential developments during the remainder of the year in connection with equity compensation. Although the FDA

approval marked the end of a lengthy and uncertain regulatory process, the commercialization of EXONDYS 51 has introduced new risks for the Company that include uncertainty regarding payor landscape and post approval commitments and requirements.

The charts below show the 2017 pay mix for our current named executive officers and for our Chief Executive Officer. A substantial portion of compensation for each named executive officer is tied to our performance, with 99% of Mr. Ingram's compensation and 82% of compensation for the other named executive officers based on Company performance and paid in long-term equity incentive awards (whether vesting on the basis of time or achievement of performance metrics) and annual bonuses. This pay mix was designed to better align the long-term interests of our named executive officers with those of our stockholders and to retain talent.³

We believe that the components and pay mix of our 2017 named executive compensation program struck the right balance between managing the Company's hiring and retention needs and paying for performance that increases stockholder value.

Enhancing Compensation Practices with Stockholder Engagement and Feedback

We have consistently worked with our stockholders over the recent years to obtain their feedback on our compensation practices. In particular, management discussed our compensation practices with stockholders, including stockholders that previously voted against the Company's say-on-pay proposals from previous years. In addition, following the nomination of Mr. Ingram as our Chief Executive Officer, the Company had informal discussions with stockholders about his unique compensation structure. These stockholders supported such structure as it aligns Mr. Ingram's interests with those of the Company's stockholders and reflects his long term commitment to building the Company.

Based on stockholder feedback over the past several years, the Company made a series of changes to its compensation practices and policies in a manner designed to enhance our compensation practices. We believe that these changes addressed the feedback obtained in prior years. As a result of these changes, at our last annual meeting, held in 2017, our executive compensation program for 2016 was approved by approximately 98.46% of the votes cast. Below are some highlights of the changes we have made to our compensation practices and policies:

- ◆ **Increased Focus on Performance-based Awards.** In 2015, 2016 and 2017, the compensation committee granted performance-based awards to more closely align the interests of our named executive officers with near term stockholder returns resulting from regulatory and commercial outcomes, in addition to granting time-based awards such as stock options, which also align the interests of our named executive officers with those of our stockholders.
- ◆ **Appropriate Balance of Compensation Based on Short-term and Long-term Performance Goals.** The Company has sought to establish goals that balance achievements that confer value to stockholders over the course of the year (e.g., the achievement of successful U.S. commercial launch) with other efforts that are designed to provide the basis for longer term positive return to stockholders (e.g., the initiation of the development of second generation exon-skipping therapies).

³ Deferred equity pay is an important factor of executives' retention. A new study suggests that a sudden reduction in executives' retention incentives lead to a substantial increase in voluntary turnover (see: Torsten Jachem et al., The Retention Effects of Unvested Equity: Evidence from Accelerated Option Vesting, (2017) available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2608555).

• **No Merit Increases to Cash Compensation.** There were no merit increases to base salary paid and bonus opportunities provided to our named executive officers in 2017, other than an increase to Mr. Cumbo’s base salary as a result of his May 2017 promotion.

• **Policies that Reflect Best Practices.** The Company has put in place other components it believes reflect responsible pay practices such as a clawback policy and stock ownership requirements for directors and officers (see pages 53-54 for details).

The tables below provide a high level summary of our 2017 compensation program as well as our compensation policies and practices.

2017 NEO Compensation Program		2017 NEO Compensation Highlights
Components		
Fixed	Base Salary	There were no merit increases to the cash compensation paid to our named executive officers in 2017, except that Mr. Cumbo was promoted in May 2017 and received a salary increase and an equity grant (see pages 45-46 for details).
Variable/ Performance-Based	Bonus	Cash payment based on achievement of the 2017 corporate goals set by the compensation committee. CEO bonus was based entirely on achievement of 2017 corporate goals. Bonuses for the other named executive officers were based 75% on achievement of 2017 corporate goals and 25% on individual performance tied to achievement of functional objectives (see pages 46-49 for details).
	Annual Equity Grant	Granted in March 2017 and consisted of one-half time-based options and one-half performance-based options (see page 49-50 for details).
	Additional Performance-based Awards	<ul style="list-style-type: none"> •February 2016 Award: This award consisted of one-half time-based options and one-half performance-based options. The performance-based milestones do not cliff vest in full, but rather vest over time once a milestone is achieved (see page 50 for details). •September 2016 Award: RSAs were granted to all named executive officers except for our Chief Executive Officer. These RSAs are contingent upon achievement of a designated quarterly revenue threshold in any fiscal quarter between the grant date and January 1, 2019 (see

page 50 for details).

Inducement Grants to
New NEOs

- A time-based RSA and performance-based option award were granted to our new President and Chief Executive Officer. The Board does not anticipate any additional equity grants until June 2022, as the performance-based option award was granted in lieu of any future annual equity awards for the first five years of his employment (see pages 51-52 for details);
- Time-based options were granted to our new Chief Scientific Officer and new Chief Medical Officer (see page 51-52 for details).

Snapshot of Current Key Executive Compensation Practices and Policies

Yes No

Performance-based equity grants

Stock Ownership Guidelines

Annual Stockholder Say-on-Pay vote

Annual Compensation Risk Assessment

Robust Clawback Policy

Independent Compensation Consultant

Company and Board Communications with Stockholders regarding Company compensation practices

Change in control accelerated vesting rights for our named executive officers are subject to a double trigger (i.e., a change in control must occur and the executive must be terminated without cause or resign for good reason)

Prohibition on Hedging or Pledging of Company Stock

Prohibition on Tax Gross-Ups for Relocation and Temporary Housing Expenses

Employment Agreement for CEO position only / New Limited Scope NEO Severance Letters

Practice of Not Paying Excess Perquisites

II. Elements of 2017 Named Executive Officer Compensation

Detailed Analysis of 2017 Executive Compensation Program

Competitive Market Review for 2017

In determining the 2017 base salaries, cash bonus opportunities and equity grants for our named executive officers, our compensation committee relied on the following peer group prepared by Radford, and approved by the compensation committee in September 2016:

- ACADIA Pharmaceuticals, Inc.
- Acorda Therapeutics, Inc.
- Akorn Inc.
- Alkermes plc
- Ariad Pharmaceuticals, Inc.
- Depomed Inc.
- Exelixis, Inc.
- Halozyme Therapeutics Inc.
- Horizon Pharma plc
- INSYS Therapeutics Inc.
- Intercept Pharmaceuticals Inc.
- Ionis Pharmaceuticals Inc.
- Ironwood Pharmaceuticals Inc.
- Jazz Pharmaceuticals plc
- Nektar Therapeutics
- Pacira Inc. Pharmaceuticals
- Repligen Corp.
- Seattle Genetics Inc.
- Supernus Pharmaceuticals Inc.
- Tesaro, Inc.
- The Medicines Company

The September 2016 peer group was oriented around commercial companies in a comparable range to our market value. Based on the approved peer group, Radford prepared a formal executive compensation assessment that included publicly-available proxy information and certain non-public information for third-party executive compensation for the compensation committee's consideration. In analyzing and setting our executive compensation program for 2017, the compensation committee compared certain aspects of our named executive officer compensation, including base salary, target bonus, long-term equity incentives and total direct compensation, to the compensation levels provided by our peer group as part of this assessment. Based on the results of the peer group compensation assessment, we determined that compensation levels for our named executive officers in 2017 generally reflected market competitive ranges. The compensation committee also reviewed data from the Radford Global Life Sciences Survey, comprising of nine companies with under \$1 billion in revenue, ranging from \$1 billion to \$8.5 billion in market cap ("Radford Survey Data").

Base Salaries

The base salaries of our named executive officers are reviewed annually. We also assess salaries at the time of hire, promotion or other change in responsibilities. In establishing and adjusting executive salaries, the compensation committee considers information regarding base salaries paid by our peer group, other data from its compensation consultant, the individual performance, position and tenure of the executive officer and internal comparability considerations. The compensation committee determined that these base salaries were appropriate in light of our compensation philosophy and the competitive pressures for attracting and retaining talent.

In February 2017, the compensation committee approved no salary adjustments for the named executive officers, based on data provided by Radford surveying market data with respect to merit budgets.

In March 2017, the Board approved a promotion to Executive Vice President, Chief Financial Officer and Chief Business Officer for Mr. Mahatme, with no compensation change.

In May 2017, the Board approved a promotion to Senior Vice President, Chief Commercial Officer for Mr. Cumbo. Such promotion was in light of the Company's global expansion, which broadened the scope of Mr. Cumbo's responsibilities. On the same day, the compensation committee approved an increase to Mr. Cumbo's annual salary to \$380,000 and an equity grant of an option to purchase 40,000 shares of the Company's common stock. For the terms of such option see "Equity Incentive Plan Compensation – May 2017 Equity Grant to Mr. Cumbo" below. The compensation committee based such adjustments to Mr. Cumbo's compensation on data provided by Radford surveying market data with respect to the Company's peers, and exercised its discretion in evaluating Mr. Cumbo's performance.

On June 26, 2017, in connection with Mr. Ingram's appointment as our President and Chief Executive Officer, the Board approved Mr. Ingram's employment agreement. Under the negotiated terms of this employment agreement, Mr. Ingram is entitled to a base annual salary of \$650,000. In determining Mr. Ingram's compensation, the Board took into account, among other things, his extensive experience in our industry, the compensation commanded by principal executive officers at our peer group, the competitive landscape for top talent and input from Radford. The terms of Mr. Ingram's employment agreement are summarized below. See "Compensation Agreements for Named Executive Officers— Douglas S. Ingram —President and Chief Executive Officer."

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The base salary levels for 2017 and 2016 for our named executive officers are summarized in the table below.

Name	Title	Salary 2017	Salary 2016	\$ Change	% Change
	President and				
Douglas Ingram	Chief Executive Officer	\$ 650,000	—	\$ 650,000	NA
	Executive Vice President,				
	Chief Financial Officer and Chief Business				
Sandesh Mahatme	Officer	\$ 459,252	\$ 459,252	—	—
	Senior Vice President, General				
David Tyronne Howton, Jr.	Counsel and Corporate Secretary	\$ 407,176	\$ 407,176	—	—
	Senior Vice President,				
Guriqbal Basi	Chief Scientific Officer	\$ 390,000	—	\$ 390,000	NA
	Senior Vice President,				
Alexander Cumbo	Global Commercial Operations	\$ 380,000	\$ 317,500	\$ 62,500	19.7 %
	Former President and				
Edward M. Kaye, M.D.	Chief Executive Officer	\$ 550,000	\$ 550,000	—	—
	Former Senior Vice President,				
Catherine Stehman-Breen	Chief Medical Officer	\$ 405,000	—	\$ 405,000	NA

*See a description of time-based RSAs granted in lieu of base salary increases below.

Performance-Based Bonuses

In 2017, the compensation committee, with input from our President and Chief Executive Officer and the Board, established overall corporate goals against which the performance of our named executive officers would be measured for purposes of determining their 2017 bonus payments. In establishing the 2017 corporate goals, the compensation committee focused on objectives likely to bring both short term and long term stockholder value such as achieving successful U.S. commercial launch and preparing for global commercialization, as well as initiating the development of second generation exon-skipping therapies. Although our corporate goals are intended to be achievable with significant effort, we do not expect that every goal will actually be attained in any given year. The 2017 cash bonus for Mr. Ingram as President and Chief Executive Officer was targeted at 90% of his base salary, paid on a pro rata basis. For the rest of our named executive officers (except for Dr. Kaye, who was not eligible to receive a bonus for 2017 in light of his departure in June 2017), 2017 bonuses were targeted at 40% of their respective base salaries. Messrs. Mahatme and Howton are eligible to receive a maximum payout of 150% of total target bonus.

The compensation committee received reports from and discussed with management the work that was done by the Company towards each corporate goal to determine levels of achievements. The same process was followed to determine achievement of each named executive officer's functional objectives. Since the Company doubled the target revenue from the sales of EXONDYS 51 in 2017, launched an early access program and built commercial

infrastructure in the EU in preparation for a potential approval of the Company's marketing authorization application for eteplirsen, the compensation committee determined that the first corporate goal of achieving successful U.S. commercial launch and preparing for global commercialization was achieved at 200%. Total achievement of the corporate goals was determined to be at 140% of target in light of strong performance in 2017, as specified in the table below.

46

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The table below sets forth our 2017 five primary corporate performance goals, weighting of each goal, and achievement levels determined by the compensation committee.

2017 Corporate Goals	Target	Stretch	Weighting	Achieved Performance as a % of Goal	Resulting Score
1. Achieve Successful U.S. Commercial Launch and Prepare for Global Commercialization			40%	200%	80%
a. Meet U.S. revenue goals	\$80M	\$100			
b. Achieve reimbursed access outside of U.S. by launching one or more early access distribution agreements by H2 2017	Launch early access agreement in one country	Launch early access agreement in two countries			
c. Build European infrastructure in line with the progression of the MAA review	-	-			
2. Initiate Development of 2nd Generation Exon-Skipping Therapies			20%	100%	20%
a. Initiate developmental manufacturing to support PPMO and new sub-unit chemistries	Q2	Q1			
b. complete Head to Head study for Exon 51 PMO vs PPMO in NHP	Q2	Q1			
c. Complete GMP PPMO manufacturing to enable clinical dosing	October	Q3			
d. Submit IND for PPMO Exon 51	October	September			
e. Initiate First-in-Human study using PPMO targeting Exon 51	Q4	-			
3. Complete R&D and Regulatory Deliverables on Schedule			20%	77.5%	15.5%
a. Implement a comprehensive scientific communication strategy with data manuscripts submitted for publication in each quarter of 2017	Six data manuscripts submitted	Eight data manuscripts submitted			
b. Incorporate an Observer-Reported Outcomes (OBSRO) instrument into the ESSENCE study as an exploratory endpoint	Q1 2017	-			
c. Develop and implement an Observer-Reported Outcomes (OBSRO) instrument for non-ambulant study	Q2 2017	Q1 2017			
d. Receive review of European submission for eteplirsen (CHMP Opinion)	2017 CHMP Opinion	-			
e. Complete Western Blot assay optimization	Q2 2017	Q1 2017			

f. Complete enrollment in study 4045-301 ESSENCE	Q4	Q3		
g. Initiate additional studies required for 45/53 NDA submission	Q3	-		
h. Complete Exon 51 ADME report	Q4 2017	-		
i. Initiate Regulatory required studies and activities relating to approval of Exondys51 in accordance with timelines agreed upon with the FDA	-	-		
4. Ensure Adequate Manufacturing Supply for Clinical and Commercial Needs			10%	100%
47				10%

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	Target	Stretch	Weighting	Achieved Performance as a % of Goal	Resulting Score
2017 Corporate Goals	Target	Stretch	Weighting	as a % of Goal	Score
a. Complete at least one engineering run at 250L 'large-scale' for EXONDYS 51	Q4	Q3			
b. Initiate Process Validation for 'large-scale' production of EXONDYS 51	Q4	Q3			
5. Drive Corporate Strategy, Finance and Culture to Achieve Sustainable Growth			10%	145%	14.5%
a. Successfully manage revenue recognition, cash position and expense controls in accordance with business needs and approved budget	-	-			
b. Drive business development: Execute strategy to maintain leadership position in rare disease	Complete two partnering transactions by Q4	Complete three partnering transactions by Q4			
c. Evolve the 'execution' aspect of Sarepta's organizational culture through robust implementation of Performance Management strategies and tactics	Individualized goals set for 75% of workforce by March 30 50% of people managers conduct quarterly performance discussions with direct reports	Individualized goals set for 100% of workforce by March 30 75% of people managers conduct quarterly performance discussions with direct reports			
TOTAL			100%	145%	14.5%

All of our named executive officers achieved 140% of their functional objectives. Mr. Ingram's 2017 bonus, which was pro-rated to reflect 6 months of service in 2017, was 100% dependent on the achievement of the corporate goals listed above given his role as a President and Chief Executive Officer. For named executive officers, other than our Chief Executive Officer, 75% of their bonuses was dependent on the achievement of 2017 corporate goals and 25% was based on the evaluation of their individual performance by our Chief Executive Officer and the compensation committee, taking into account each named executive officer's achievement of functional objectives. 100% of 2017 bonus payout amounts were paid to our named executive officers in 2018 in cash.

The 2017 functional objectives for Mr. Mahatme included seeking partnership opportunities for our platform technologies and strengthening our balance sheet by accessing capital markets. Mr. Mahatme successfully led the

effort to close a \$325 million public offering of our common stock in July 2017 and a \$475 convertible debt offering in November 2017, which are key to funding our activities. Mr. Mahatme also led our entry into a gene therapy exclusive license option agreement with Genethon in May 2017 to jointly develop micro-dystrophin gene therapy products for the treatment of DMD. In addition, he led our entry into a sponsored research and exclusive license option agreement with Duke University in October 2017, granting us an option to an exclusive license to intellectual property and technology related to certain CRISPR/Cas9 technology that has the potential to restore dystrophin expression by removing or “excising” exons from the dystrophin gene.

Mr. Howton’s functional objectives included implementing strategy to facilitate freedom to operate and patent exclusivity for certain exon candidates, and establishing legal structure to support global expansion of eteplirsen. Mr. Howton led our entry into a license agreement with BioMarin Pharmaceutical Inc. (“BioMarin”) that provides us with global exclusive rights to BioMarin’s DMD patent estate for EXONDYS 51 and all future exon-skipping products, and into a settlement agreement with BioMarin, resolving the ongoing worldwide patent proceedings

related to the use of EXONDYS 51 and all future exon-skipping products for the treatment of DMD. In addition, Mr. Howton led the establishment of new entities around the globe to support the commercialization of eteplirsen outside the U.S. Mr. Howton also provided legal advice, drafting and negotiation support for business development, finance and human resources initiatives, which included support for two efficient and successful capital raises, an exclusive license option agreement with Genethon, a sponsored research and exclusive license option agreement with Duke University and distribution and other agreements to facilitate the sale of eteplirsen on a named-patient basis or through a managed access program in various countries outside the U.S.

Mr. Cumbo's functional objectives related to achieving successful U.S. commercial launch of EXONDYS 51 and preparing for global commercialization of eteplirsen. Mr. Cumbo led the commercial launch of EXONDYS 51 in the U.S., efforts that resulted in doubling the target revenue from the sales of EXONDYS 51 in 2017. In addition, Mr. Cumbo launched an early access program, led our entry into distribution agreements for eteplirsen in various countries and built commercial infrastructure in the EU in preparation for a potential approval of the Company's marketing authorization application for eteplirsen.

Mr. Basi did not have specific functional objectives for 2017 since he was not employed by the Company when the objectives were set in early 2017. 75% of his bonus payouts was based on the achievement of 2017 corporate goals and 25% was based on the evaluation of his individual performance by our Chief Executive Officer and the compensation committee.

The following table shows, for each of our named executive officers, the aggregate dollar value of the bonuses awarded for 2017 and 2016 corporate and individual performance achievements:

Name	Title	Bonus 2017 ⁽¹⁾	Bonus 2016 ⁽¹⁾	\$ Change	% Change
	President and				
Douglas Ingram	Chief Executive Officer Executive Vice President,	\$420,875	—	\$420,875	NA
Sandesh Mahatme	Chief Financial Officer and Chief Business Officer Senior Vice President, General	\$257,181	\$220,441	\$36,740	16.7 %
David Tyronne Howton, Jr.	Counsel and Corporate Secretary Senior Vice President,	\$228,019	\$195,445	\$32,574	16.7 %
Guriqbal Basi	Chief Scientific Officer Senior Vice President,	\$72,800	—	\$72,800	NA
Alexander Cumbo	Global Commercial Operations	\$212,800	\$152,400	\$60,400	39.6 %
	Former President and				
Edward M. Kaye, M.D.	Chief Executive Officer Former Senior Vice President,	—	\$429,000	\$(429,000)	-100.0 %
Catherine Stehman-Breen	Chief Medical Officer	—	—	—	—

(1)The 2017 bonus figure reflects a cash bonus received in March 2018.

(2)The 2016 bonus figure reflects a cash bonus received in March 2017.

2017 Equity Incentive Plan Compensation

March 2017 Equity Compensation

In recognition of feedback previously received from our stockholders regarding their support for increasing the performance-based component of our named executive officer compensation program, in March 2017, the compensation committee granted our named executive officers annual stock option awards under our 2011 Plan that consist of one-half time-based stock options, and one-half performance-based restricted stock units (“RSUs”). The time-based stock options granted to our named executive officers in 2017 vest as follows: 25% of the shares of our common stock underlying such options vested on March 10, 2018 and 1/48th of the total shares of our common stock underlying such options vest on each monthly anniversary thereafter, such that the options will be fully vested on March 10, 2021, subject to the named executive officer continuing to provide services through each such vesting date.

Different percentages of these March 2017 performance-based RSUs will become eligible to vest based on time if the performance milestones for these RSUs are achieved by the Company within the stated specified periods. 50% of the RSUs vested on August 3, 2017, when our calendar quarterly sales from EXONDYS 51 exceeded \$25 million; 25% of the RSUs will vest if we launch early access programs in at least three countries outside the U.S. and receive payments from such programs by mid-year 2018; and an additional 25% of the RSUs will vest if we initiate a Phase 2 clinical trial for our peptide-conjugated PMO (PPMO) by the first quarter of 2019. Each portion of the RSUs vest in full upon achievement of the specific milestone. Vesting of the RSUs is accelerated upon a change in control event.

May 2017 Equity Grant to Mr. Cumbo

On May 19, 2017, in connection with the promotion of Mr. Cumbo to Senior Vice President, Chief Commercial Officer, the compensation committee approved an equity grant of an option to purchase 40,000 shares of the Company's common stock. 25% of the option granted will vest on May 19, 2018, and 1/48th of the total granted option vests and becomes exercisable on each monthly anniversary thereafter, such that the option will be fully vested and exercisable on May 19, 2021.

Earlier Equity Incentive Plan Compensation

February 2016 Incentive Plan Compensation

In February 2016, the compensation committee granted Messrs. Kaye, Mahatme, Cumbo and Howton and Ms. Ruff annual stock option awards under our 2011 Plan that consist of one-half time-based stock options, and one-half performance-based stock options. The time-based stock options granted in 2016 vest as follows: 25% of the shares of our common stock underlying such options vested on February 28, 2017 and 1/48th of the total shares of our common stock underlying such options vest on each monthly anniversary thereafter, such that the options will be fully vested on February 29, 2020, subject to the officer continuing to provide services through each such vesting date.

Different percentages of these February 2016 performance-based options will become eligible to vest based on time if the performance milestones for these options are achieved by the Company within the stated specified periods. Half of the options began vesting when the FDA provided marketing approval for eteplirsen as of the applicable Prescription Drug User Fee Act date and the other half of the options began vesting when we filed a Marketing Authorization Application ("MAA") with the European Medicines Agency ("EMA") in November 2016. Vesting of the options allocated to the achievement of each goal is as follows: (i) 50% of the options allocated to the achieved goal vests immediately upon achievement of the performance condition (25% of the total performance-based options granted) and (ii) the remaining 50% of the options allocated to the achieved goal (25% of the total performance-based options granted) vests over four years with 25% of these remaining options vesting on the first year anniversary of the grant date and 1/48th of these remaining options vesting monthly thereafter.

September 2016 Incentive Plan Compensation

On September 19, 2016, the FDA granted accelerated approval of EXONDYS 51. On the same day, the compensation committee approved salary adjustments of 3-4% to be delivered in RSAs in lieu of cash for Mr. Mahatme, Mr. Howton and Ms. Ruff. These RSAs vested six months from the date of grant, on March 19, 2017.

In addition, in order to incentivize a strong start of the launch of EXONDYS 51 and to retain key executives through the launch period, the compensation committee granted on September 19, 2016 performance-based restricted share awards to Messrs. Mahatme, Cumbo and Howton and Ms. Ruff. Vesting of these restricted shares is contingent upon achievement of a designated quarterly revenue threshold in any fiscal quarter between grant date and June 30, 2018. 100% of the total restricted shares vest during this period upon the Company exceeding \$80 million in total quarterly revenue reported in publicly released GAAP financials, and additional 25% of the total restricted shares vest during the same period if the total quarterly revenue reported in the publicly released GAAP financials exceeds \$100 million.

Vesting of these restricted share awards is subject to the named executive officer's continued service to the Company through the applicable vesting date.

On December 4, 2017, the Board approved extending the timeframe for achieving the designated quarterly revenue threshold by two quarters so that such threshold will be considered met if the prior approved revenue target and other conditions are satisfied in any calendar quarter prior to January 1, 2019. Such an extension was due to unanticipated challenges beyond management's control with respect to the coverage of EXONDYS 51 by different third parties, which delayed certain sales of the product by two quarters.

Inducement Grants to New Named Executive Officers in 2017

Douglas S. Ingram – President and Chief Executive Officer

On June 26, 2017, in connection with Mr. Ingram’s appointment as our President and Chief Executive Officer, we granted Mr. Ingram the following two inducement equity awards under the 2014 Plan as an inducement material to his entering into the employment agreement: (1) a time-based restricted stock award; and (2) a performance-based option award.

In determining the terms of these awards, we took into account, among other things, Mr. Ingram’s extensive experience in our industry, the compensation commanded by principal executive officers at our peer group, the competitive landscape for top talent and input from Radford, our independent consultant. We were specifically guided by the following parameters when crafting the performance-based option award, which is quadruple the fair value of the restricted stock award:

Performance Measurements: The option award is contingent on and linked to (1) the Company’s stock performance over five years and (2) the Company’s performance relative to other biotech companies during such period. The Company’s performance is measured by the CAGR of our stock over a 5-year period, which we considered to be more accurate than TSR). The formula sets challenging CAGR thresholds for maximum compensation, which were developed through the assessment of compounded growth rates for several leading biotech companies over highly successful periods in their development. The outperformance relative to other biotech companies is measured by comparing our five year CAGR to the CAGR of the NASDAQ Biotech Index. We selected the NASDAQ Biotech Index because it is more challenging to beat than broader pharmaceutical sector indexes, as indicated by high returns over the past five years (approximately 22%).

Linear Formula: The percentage of the award vesting can be anywhere in the range of 0% to 100%, depending on the Company’s stock price CAGR and the Company’s outperformance relative to other biotech companies during a 5-year period.

Potential Ownership Percentage: To attract top talent and to be able to compete with privately-held companies, which have greater flexibility in offering equity, we granted equity that can potentially result in Mr. Ingram owning approximately 6.6% of the Company if all performance metrics are fully satisfied.⁴ If performance criteria are not met, Mr. Ingram will obtain a lower interest in the Company, potentially down to 0%.

5-Year Vesting Period: To reward sustained and continued outperformance, and to eliminate the ability to meet thresholds due to short term and arbitrary market factors, there is a 5-year cliff vesting, as opposed to vesting on a yearly basis in tranches.

We believe that such compensation structure aligns with stockholders’ interests due to the following key features of the awards:

Chief Executive Officer’s Financial Success is Closely Linked to the Company’s Growth: The option award is contingent on and linked to both the Company’s stock performance over five years and to the Company’s performance relative to other biotech companies during such period. As the Company performs better, the vesting percentage increases, up to the maximum amount granted. No portion of the option award will vest if the Company’s stock price CAGR over the 5-year period is less than 15% or if such CAGR does not exceed (or, in certain limited cases, meet) the CAGR of the Biotech Index during the same 5-year period. This formula ensures that if stockholders realize a marginal return through lack of stock appreciation or poor performance relative to the biotech market, Mr. Ingram will likewise receive diminished compensation. Conversely, appreciable stock value growth over the 5-year period that also exceeds the biotech index will likely result in significant stockholder return and, at the same time, afford Mr. Ingram the opportunity to realize greater compensation. In this manner, the Company has sought to directly align Mr. Ingram’s compensation with stockholder interests.

Performance-Based, “At-Risk” Award: Despite the high fair value of the performance-based option award as shown in the compensation tables below, it is not certain what percentage of such option will vest, if at all. Such percentage is dependent on the Company’s performance as described above.

⁴ Assuming 55,002,586 shares outstanding.

51

High Performance Thresholds: The option award's complex formula sets very challenging thresholds, which were designed based on past outperformance of top leading biotech companies. In order for the performance-based option award to fully vest, our stock would need to increase by at least 438% in the 5-year period following the grant date (from \$34.65 to approximately \$186.5 per share), and the Company's share price CAGR would need to exceed the CAGR of the NASDAQ Biotech Index by at least 5% in the same period. Importantly, the use of the Biotech Index ensures that Mr. Ingram cannot benefit from stock appreciation resulting merely from market factors, but in fact must beat the performance of other companies in the sector. These high thresholds are designed to incentivize our new Chief Executive Officer to focus on the Company's growth and how it can outperform its peers over a 5-year period.

Extended Vesting Periods: The time-based restricted shares vest gradually over 4 years, and a portion of the performance-based option (ranging from 0% to 100%) vests 5 years after the grant date. The extended vesting periods are designed to incentivize our new Chief Executive Officer to focus on the long-term interests of the Company and reward sustained and continued outperformance over an extended period of time. These extended vesting periods also eliminate the potential for large annual payments based on short term market dynamics that may be unrelated to company performance and serve as a retention mechanism as they raise Mr. Ingram's cost of pursuing a new opportunity outside the Company.

No Additional Equity Awards in the First Five Years of Employment: the performance-based option award was granted to Mr. Ingram in lieu of any future annual equity awards for the first five years of his employment. Hence, the Board does not anticipate granting Mr. Ingram additional incentive awards for the first five years of his employment.

Alignment of Financial Interests with those of Stockholders: The restricted stock award, and potentially the performance-based option award, will increase Mr. Ingram's equity ownership, and hence will align his long-term financial interests with those of our stockholders. To further align his interests with those of our stockholders, but not required by any agreement or understanding with the Company, Mr. Ingram purchased shares of the Company's common stock in the sum of approximately \$4 million in July and November 2017.

Both of the awards are subject to clawback under circumstances set forth in Mr. Ingram's employment agreement, including the Company's clawback policy. The terms of Mr. Ingram's awards, including treatment upon termination and change in control, are summarized below under "Compensation Agreements for Named Executive Officers—Douglas S. Ingram —President and Chief Executive Officer."

Catherine Stehman-Breen, M.D. – Former Chief Medical Officer

On April 3, 2017, Dr. Stehman-Breen, our former Chief Medical Officer, was granted an inducement equity award under the 2014 Plan, as a material inducement to her employment as Chief Medical Officer. Dr. Stehman-Breen received options to purchase 100,000 shares of our common stock. Under the term of such grant, 25% of the shares underlying the option vest on the one year anniversary of Dr. Stehman-Breen's date of hire and thereafter 1/48th of the shares underlying the option vest monthly, such that the shares underlying the option are fully vested on the fourth anniversary of her date of hire, in each case, subject to her continued employment with Sarepta on such vesting dates.

In connection with Dr. Stehman-Breen's departure in December 2017, and as per the terms of a General Release and Amendment to Separation Agreement between her and the Company, 25% of Dr. Stehman-Breen's outstanding stock options will vest and be exercisable on April 30, 2018, and commencing on May 1, 2018, her outstanding stock options will vest on a monthly basis at the rate of 1/48th of the total shares underlying such options for 12 additional months notwithstanding the vesting schedule that would have applied had she remained continuously employed by the Company during such twelve month period. The terms of Dr. Stehman-Breen's severance letter and the above-mentioned amendment are summarized below under "Compensation Agreements for Named Executive Officers—Post-Employment Benefits and Change in Control Arrangements for the Company's Named Executive Officers —Severance Letter – Dr. Stehman-Breen."

Guriqubal S. Basi, Ph.D. – Chief Scientific Officer

On September 25, 2017, Dr. Guriqubal S. Basi was granted an inducement equity award under the 2014 Plan, as a material inducement to his employment as Chief Scientific Officer. Dr. Basi received options to purchase 100,000 shares of our common stock. Under the term of such grant, 25% of the shares underlying the option vest on the one year anniversary of Dr. Basi's date of hire and thereafter 1/48th of the shares underlying the option vest monthly, such that the shares underlying the option are fully vested on the fourth anniversary of his date of hire, in each case, subject to her continued employment with Sarepta on such vesting dates.

The awards granted to our named executive officers under our 2011 Plan and the 2014 Plan in 2017 are set out in our Grants of Plan Based Awards in 2017 table below.

Section 401(k) Plan

Our Section 401(k) plan (the "401(k) Plan") is a defined contribution profit sharing plan with a 401(k) option in which substantially all of our employees are eligible to participate. The 401(k) Plan year is January 1 to December 31, and the 401(k) Plan was adopted on November 1, 1992. For 2017, our named executive officers received a Company matching contribution equal to 100% of the first 4% of eligible compensation contributed to the 401(k) Plan, subject to the maximum amount permitted by law.

Additional Benefits

We provide a limited number of additional benefits to our named executive officers to permit them to be accessible to the business as required and to ensure increased effectiveness, delivery and performance by residing in closer proximity to the Company's headquarters in Cambridge, Massachusetts. However, in January 2016, the compensation committee approved a policy under which the Company will no longer provide tax gross-ups for relocation and temporary housing expenses to our named executive officers.

We also provide our named executive officers with additional coverage under our group basic life insurance and AD&D plans, in the amount of 2.5 times basic annual salary, up to a maximum of \$1.6 million. In addition, we provide Mr. Mahatme with reimbursement for an individually-purchased life insurance policy for an additional \$500,000 in coverage. Under our group long-term disability policy, all regular-status full- and part-time employees, including our named executive officers, are provided with a disability benefit equal to a maximum of \$15,000 per month and subject to specific plan and provider requirements. Since employees earning annual base salaries over \$300,000 would exceed the monthly maximum available under this policy in the event of their disability, the Company establishes individual supplemental long-term disability policies for these employees, and pays for the associated costs. All of our named executive officers are eligible for these individual supplemental long-term disability policies and are provided with coverage in \$5,000 increments up to the maximum monthly coverage as defined in our group long-term disability policy.

Severance/Termination Protection

General terms of employment, including compensation and benefits payable upon termination of employment are set forth in offer letters, change in control agreements, or otherwise agreed-upon arrangements between the named executive officer and the Company. The compensation committee sets such compensation and benefits in order to be competitive in the hiring and retention of employees, including named executive officers. Additionally, in September 2016, we entered into an employment agreement with our former President and Chief Executive Officer, Dr. Kaye, and in June 2017, we entered into an employment agreement with our current President and Chief Executive Officer in connection with their appointments. See "Compensation Agreements for Named Executive Officers." All arrangements with the named executive officers and the potential payments that each of the named executive officers would have received in the event of termination of such executive's employment are described in "Compensation

Agreements for Named Executive Officers—Post-Employment Benefits and Change in Control Arrangements for the Company’s Named Executive Officers” and “Potential Payments Upon Termination or a Change in Control.”

Other Factors that Impact or Influence Our Named Executive Officer Compensation Program

In response to stockholder feedback, in 2016 we adopted stock ownership guidelines and a clawback policy, the terms of which are summarized below.

53

Stock Ownership Guidelines

In April 2016, in order to encourage equity ownership by our executive officers and non-employee directors, we adopted stock ownership guidelines for these individuals. The purpose of the stock ownership guidelines is to enhance the linkage between the interests of the stockholders of the Company and our executive officers and non-employee directors through a minimum level of stock ownership, while also mitigating the potential for excessive risk-taking. The stock ownership guidelines generally require each executive officer and non-employee director of the Company to reach a minimum level of target ownership of common stock of the Company within a specified period of time after becoming subject to the stock ownership guidelines, and to maintain such level for so long as the stock ownership guidelines apply.

Generally, each non-employee director and executive officer has five years to attain their respective stock ownership target. Non-employee directors are generally required to own stock in an amount equal to three times their annual cash retainer. Executive officers are generally required to own stock in an amount equal to one times their base salary, with the exception of the Chief Executive Officer, who is generally required to own stock in an amount equal to three times his base salary.

Compensation Clawback Policy

In April 2016, we adopted a compensation clawback policy, which provides for the recoupment of cash and non-cash incentive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws. The policy applies to the Company's current and former executive officers, as well as other covered individuals, as determined by the Board. Compensation that is granted, earned or vested based wholly on the attainment of a financial goal (not an operational goal or subject to time-based vesting) is subject to recoupment. In the event the Company is required to prepare an accounting restatement of its previously-issued financial statements due to material noncompliance with any financial reporting requirement under the securities laws (i.e., to correct one or more material errors) and such restatement is a result of misconduct, the Company will recoup the excess incentive compensation that was based on the erroneous data from each individual subject to the clawback policy. If the Company is required to prepare an accounting restatement, the Company will recoup from each covered individual all excess incentive compensation received by such covered individual during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the accounting restatement.

Total Stockholder Return

Our one-year TSR of 102.84% was significantly higher than that of the NASDAQ Biotechnology Index (21.66%) and that of the NASDAQ Composite Index (29.73%); our three-year TSR was 284.52%, while that of the NASDAQ Biotechnology Index and the NASDAQ Composite Index were only 6.94% and 51.36%, respectively; and our five-year TSR of 115.66% was slightly below that of the NASDAQ Biotechnology Index (138.59%) and that of the NASDAQ Composite Index (143.54%). Such data support our pay-for-performance compensation strategy in 2017 and our focus on drivers for compensation that build short- and long-term value.

The market prices for securities of small to mid-cap biotechnology companies, including our stock, have been historically volatile. For example, during 2017, our stock traded from a low of \$26.26 per share to a high of \$57.57 per share. The stock market has also experienced extreme price and volume fluctuations that have often been unrelated to, or disproportionate to, the operating performance of individual companies. Since many biotechnology companies require continued financings to advance their research and clinical programs, the stock price sometimes experiences volatility in anticipation of dilutive financing events despite the advancement of research and clinical programs. Although our compensation committee takes into consideration the short- and long-term performance of our stock, due to volatility factors such as those discussed above, and factors outside of the control of the Company, our compensation committee takes into account other factors that support both short- and long-term creation of value for the Company and its stockholders discussed below.

Compensation Philosophy

The following executive compensation principles form the basis of the Company's compensation philosophy and guided the compensation committee during 2017 in fulfilling its roles and responsibilities:

- compensation levels and opportunities should be sufficiently competitive to facilitate recruitment and retention of experienced executives in our highly competitive talent market;
- compensation should reinforce our business strategy by integrating and communicating key metrics and operational performance objectives and by emphasizing at risk short- and long-term incentives in the total compensation mix;
- compensation programs should align executives' long-term financial interests with those of the stockholders by providing equity-based incentives without incentivizing the executives to take inappropriate risks in order to enhance their individual compensation;
 - executives with comparable levels of responsibility should be compensated comparably; and
- compensation should be transparent and easily understandable to both our executives and our stockholders.

Compensation Program Design

The compensation committee believes that maintaining and improving the quality and skills of our management and appropriately incentivizing their performance are critical factors affecting our stockholders' realization of long-term value. We intend for the total compensation and each of its components, including base salary, incentive cash compensation, equity compensation and benefits to remain competitive in the biopharmaceutical marketplace for suitable talent and in accordance with our short- and long-term goals.

While fixed compensation, such as base salary and benefits, are primarily designed to be competitive in the biopharmaceutical marketplace for employees, incentive compensation is designed to be primarily merit-based and to reward strategic and operational achievements. Historically, actual incentive compensation for the named executive officers other than the Chief Executive Officer has been a function of the achievement of defined and agreed upon corporate goals and functional objectives. With respect to our Chief Executive Officer, 100% of the goals are tied to corporate objectives to reflect the fact that our Chief Executive Officer makes strategic decisions that influence us as a whole and thus, it is more appropriate to reward performance against corporate objectives.

The at-risk component of the compensation package for each named executive officer, which includes a target bonus and long-term equity incentives, is typically determined (in whole or in part) on the basis of achievement of pre-established corporate goals and functional objectives. In determining the 2017 equity awards of our named executive officers, the compensation committee took into account (i) the short and long-term value to stockholders being built by the Company as indicated by its TSRs, (ii) the competitive annual market values for each individual executive, (iii) the achievement of corporate goals and functional objectives, (iv) the amount of vested and unvested equity awards held by a named executive officer at the time of grant and (v) market factors that require the Company to remain competitive in its compensation package in order to attract and retain qualified individuals.

Role of Chief Executive Officer

Historically, our Chief Executive Officer plays a pivotal role in determining executive compensation, other than with respect to his own compensation. No less than annually, our Chief Executive Officer assesses the performance of the named executive officers other than himself. Following such assessments, our Chief Executive Officer recommends to the compensation committee a base salary, performance-based bonus and a grant of stock options for each named executive officer other than himself. The compensation committee considers the information provided by the Chief Executive Officer, together with other information available to the compensation committee, and determines the compensation for each named executive officer.

Role of Compensation Consultants

The compensation committee engaged its own independent third-party compensation consultant, Radford, to assist the compensation committee with its 2017 compensation review, analysis and actions. Radford's services generally included:

- identifying an updated market framework (including a peer group of companies) for formal compensation benchmarking purposes;
- gathering data on our executive officer cash and equity compensation relative to competitive market practices; and
- developing a market-based framework for potential changes to our compensation program for the compensation committee's review and input.

After review and consultation with Radford, our compensation committee determined that Radford is independent, and that there is no conflict of interest resulting from retaining Radford during fiscal year 2017. In reaching these conclusions, our compensation committee considered the factors set forth in the SEC rules and the NASDAQ listing standards.

Additional information regarding the services provided by Radford is discussed below in greater detail. Other than services provided to our compensation committee, Radford did not perform any other work for us in 2017.

Setting Executive Compensation and Determining the Overall Mix of Compensation

The compensation committee believes that the total compensation package provided to our named executive officers, which combines both short- and long-term incentives including equity components that are mostly at-risk, (i) is competitive without being excessive, (ii) is at an appropriate level to assure the retention and motivation of highly skilled and experienced leadership, (iii) is attractive to any additional talent that might be needed in a rapidly changing competitive landscape, (iv) avoids creating incentives for inappropriate risk-taking by the named executive officers that might be in their own self-interests, but might not necessarily be in the best short- and long-term interests of our stockholders, and (v) provides the appropriate incentives to our executives to create long-term organizational and stockholder value by incorporating and aligning the value of performance equity awards made to our executive officers tied to achievements made that contribute to strategic Company objectives focused on regulatory and clinical developments.

As a general proposition, in setting compensation for the named executive officers, including the Chief Executive Officer, the compensation committee considers a number of factors, including analyses of compensation of our peers and other companies in the biopharmaceutical industry, analyses of reports from compensation consultants, the satisfaction of (or failure to satisfy) previously-developed performance measurements for the named executive officers and the Company, and the value and size of the total vested and unvested equity grants owned by the named executive officers.

The compensation committee does not have a pre-established policy for allocating total compensation between cash and non-cash compensation, between long-term and currently paid-out compensation, or between fixed and variable compensation. Rather, based on competitive market assessments and benchmarks, reports of compensation consultants, as well as the compensation committee's review of existing outstanding equity incentives on an individual named executive officer basis, the compensation committee determines the appropriate level and mix of total compensation, keeping in mind our compensation philosophy.

As noted above, however, we faced unique challenges in 2017 with respect to our executive compensation program in light of our Chief Executive Officer transition and given that 2017 was a demanding year for our named executive officers as a result of the launch of our first product and our global expansion.

Tax and Accounting Implications of the Executive Compensation Program

We generally will be entitled to a tax deduction in connection with compensation paid to our named executive officers at the time the named executive officer recognizes such compensation. Section 162(m) of the Code, in general, limits the Company's federal income tax deduction for compensation paid to certain executives of the Company ("covered employees"), including our Chief Executive Officer and, for tax years beginning on or after January 1, 2018, our Chief Financial Officer. For the years beginning on or after January 2018, the TCJA eliminated the exception to non-deductibility for certain qualified performance-based compensation and expanded the scope of "covered employees" whose compensation may be subject to this deduction limit to include the Company's Chief Financial Officer and former covered employees of the Company for tax years beginning after December 31, 2016. As a result, the Company may be denied a compensation deduction in certain circumstances with respect to any of its current or future covered employees whose aggregate compensation exceeds \$1 million in any fiscal year. In addition, the long-term incentive compensation awarded to the named executive officers is based on a fixed value at grant, and therefore, is not subject to variable accounting treatment under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. We view preserving tax deductibility as an important objective, but not the sole objective, in establishing executive compensation. Although we generally consider the impact of Code Section 162(m) deductibility limitations, in specific instances we have, and in the future we may, authorize compensation arrangements that are not fully tax deductible but which promote other important objectives.

Risk Assessment of Compensation Policies and Practices

As part of its responsibilities, the compensation committee reviews the impact of our executive compensation program and the associated incentives to determine whether they present a significant risk to us. The compensation committee has concluded, based on its reviews and analysis of our compensation policies and procedures, that such policies and procedures are not reasonably likely to have a material adverse effect on us. In making this determination, our compensation committee considered the following:

- our use of different types of compensation vehicles provides a balance of long- and short-term incentives with fixed and variable components;
- our grant of equity-based awards with time-based vesting and performance-based vesting, both of which encourage our named executive officers to look to long-term appreciation in equity values;
- our annual bonus determinations for each employee are dependent on achievement of company goals, which we believe promote long-term value;

- the compensation committee's ability to exercise discretion in determining incentive program payouts and equity awards;
- share ownership and holding guidelines applicable to our directors and executive officers; and
- Prohibition on hedging or pledging of Company stock.

Compensation Committee Report

The information contained in this report will not be deemed to be “soliciting material,” or to be “filed” with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, nor will such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference in such filing.

The compensation committee has reviewed and discussed with management the section captioned “Compensation Discussion and Analysis”. Based on our review and discussion, the compensation committee has recommended to the Board, and the Board has approved, that the section captioned “Compensation Discussion and Analysis” be included in the Annual Report on Form 10-K for the year ended December 31, 2017 and this proxy statement for our 2018 Annual Meeting of stockholders.

COMPENSATION COMMITTEE

Claude Nicaise, M.D. (Chairman)

Richard Barry

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Compensation Tables

Summary Compensation Table

The table below summarizes the total compensation paid to or earned by each of the named executive officers for 2017, 2016 and 2015, as applicable. Total compensation paid to or earned by Mr. Cumbo is reported only for 2017 and 2016, as 2016 was the first year he was a named executive officer.

Name and Principal Position	Year	Salary ⁽¹⁾	Non-Equity				Total
			Stock Awards ⁽²⁾⁽³⁾	Option Awards ⁽²⁾⁽³⁾	Incentive Plan Compensation ⁽⁴⁾	All Other Compensation	
Douglas Ingram President and Chief Executive Officer	2017	\$337,500	\$11,607,750	\$44,484,000	\$420,875	\$16,116	\$56,866,241
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—
Sandesh Mahatme Executive Vice President, Chief Financial Officer and Chief Business Officer	2017	\$459,252	\$867,827	\$601,433	\$257,181	\$14,440	\$2,200,133
	2016	\$459,252	\$1,238,311	\$894,458	\$220,441	\$24,438	\$2,836,900
	2015	\$456,664	\$371,910	\$1,309,997	\$165,331	\$61,190	\$2,365,091
David Tyronne Howton, Jr. Senior Vice President, General Counsel and Corporate Secretary	2017	\$407,176	\$694,269	\$481,146	\$228,019	\$12,918	\$1,823,528
	2016	\$407,176	\$996,553	\$715,566	\$195,445	\$12,718	\$2,327,458
	2015	\$404,881	\$338,100	\$894,125	\$146,583	\$12,718	\$1,796,407
Guriqbal Basi Senior Vice President, Chief Scientific Officer	2017	\$105,000	—	\$2,173,910	\$72,800	\$14,338	\$2,366,048
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—
Alexander Cumbo Senior Vice President, Chief Commercial Officer	2017	\$353,558	\$636,416	\$1,103,231	\$212,800	\$11,779	\$2,317,783
	2016	\$314,175	\$846,551	\$477,044	\$152,400	\$11,579	\$1,801,749
	2015	—	—	—	—	—	—
Edward M. Kaye, M.D. Former President and Chief Executive Officer	2017	\$346,923	\$2,314,185	\$1,603,820	—	\$513,708	\$4,778,636
	2016	\$532,099	\$64,492	\$2,385,220	\$429,000	\$18,197	\$3,429,008
	2015	\$494,585	\$1,939,532	\$1,694,678	\$249,704	\$18,197	\$4,396,696
Catherine Stehman-Breen Former Senior Vice President, Chief Medical Officer	2017	\$288,173	—	\$1,447,210	—	\$65,446	\$1,800,829
	2016	—	—	—	—	—	—
	2015	—	—	—	—	—	—

- (1) For details regarding our named executive officers compensation agreements, see “Compensation Agreements for Named Executive Officers” below.
- (2) The amounts included in the “Stock Awards” and “Option Awards” columns reflect the aggregate grant date fair value of awards during each year calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of this amount are included in Note 14 to the consolidated financial statements set forth in our Annual Report. For stock awards with performance conditions, if and when deemed probable that such performance milestones may be achieved within the required time frame, the Company may recognize up to \$5.1 million of stock-based compensation. See the table below captioned “Grants of Plan Based Awards in 2017” for additional information on equity awards granted in 2017.
- (3) Non-Equity Incentive Plan Compensation includes awards earned under our annual incentive bonus plan. See the table below captioned “Grants of Plan Based Awards in 2017” and the “Compensation Discussion and Analysis” above for additional information.

(4) The amounts disclosed under the column entitled “All Other Compensation” include the following for 2017:

Name	Matching Contributions to 401(k) Account	Long-term Disability Premiums	Moving	Severance	Total
Douglas Ingram	—	\$ 2,911	\$13,205	—	\$16,116
Sandesh Mahatme	\$ 10,800	\$ 3,640	—	—	\$14,440
David Tyrone Howton, Jr.	\$ 10,800	\$ 2,118	—	—	