

CORCEPT THERAPEUTICS INC  
Form DEF 14A  
April 24, 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

(Amendment No. )

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Corcept Therapeutics Incorporated

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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1) Title of each class of securities to which transaction applies:

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1) Amount Previously paid:

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3) Filing Party:

4) Date Filed:

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Corcept Therapeutics Incorporated

149 Commonwealth Drive

Menlo Park, California 94025

Notice of Annual Meeting of Stockholders

To Be Held on May 29, 2018

Dear Stockholder:

The Annual Meeting of Stockholders of Corcept Therapeutics Incorporated, or the Company, will be held on Tuesday, May 29, 2018 at 8:00 a.m. local time at the Company's headquarters located at 149 Commonwealth Drive, Menlo Park, CA 94025 for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To elect seven directors to hold office until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified.
2. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.
3. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on April 18, 2018 will be entitled to notice of, and to vote at, such meeting or any adjournments or postponements thereof.

By Order of the Board of Directors,

/s/ G. Charles Robb

G. Charles Robb

Chief Financial Officer and Secretary

Menlo Park, California

April 24, 2018

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to be Held on May 29, 2018

Our 2018 Proxy Materials are available at [www.corcept.com/proxymaterials/2018](http://www.corcept.com/proxymaterials/2018)

**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE YOUR SHARES BY INTERNET, BY TELEPHONE OR BY COMPLETING, SIGNING, DATING AND MAILING PROMPTLY THE**

ACCOMPANYING PROXY CARD IN THE ENCLOSED RETURN ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. THIS WILL ENSURE THE PRESENCE OF A QUORUM AT THE MEETING. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE PREVIOUSLY SENT IN YOUR PROXY CARD. 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 MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

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Table of Contents

<u>PROXY STATEMENT</u>	1
<u>NOMINEES TO BOARD OF DIRECTORS</u>	3
<u>DIRECTOR NOMINATION</u>	5
<u>BOARD MEETINGS AND COMMITTEES</u>	7
<u>BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT</u>	8
<u>COMMUNICATIONS WITH DIRECTORS</u>	9
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	9
<u>INFORMATION CONCERNING EXECUTIVE OFFICERS</u>	9
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	10
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	12
<u>CODE OF ETHICS</u>	12
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	12
<u>EXECUTIVE COMPENSATION</u>	13
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	22
<u>DIRECTOR COMPENSATION</u>	22
<u>COMPENSATION COMMITTEE REPORT</u>	24
<u>REPORT OF THE AUDIT COMMITTEE</u>	25
<u>FEES OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	26
<u>PROPOSALS TO BE ACTED UPON AT THE ANNUAL MEETING</u>	27
<u>OTHER MATTERS</u>	27
<u>STOCKHOLDER PROPOSALS FOR THE 2019 ANNUAL MEETING</u>	28
<u>AVAILABLE INFORMATION</u>	29

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Corcept Therapeutics Incorporated

149 Commonwealth Drive

Menlo Park, California 94025

650-327-3270

## PROXY STATEMENT

### 2018 ANNUAL MEETING OF STOCKHOLDERS

#### General

We are furnishing this Proxy Statement and the enclosed proxy in connection with the solicitation of proxies by our Board of Directors (the "Board") for use at the Annual Meeting of Stockholders of Corcept Therapeutics Incorporated (the "Company") to be held on Tuesday, May 29, 2018 at 8:00 a.m. local time, at 149 Commonwealth Drive, Menlo Park, California 94025 and at any adjournments thereof (the "Annual Meeting"). This Proxy Statement and accompanying proxy card are being first mailed to stockholders on or about April 25, 2018.

#### Who Can Vote

Only holders of our common stock at the close of business on April 18, 2018 (the "Record Date") are entitled to vote at the Annual Meeting. Stockholders who hold shares of our common stock in "street name" may vote at the Annual Meeting only if they hold a valid proxy from their broker.

#### Shares Outstanding and Quorum

As of the Record Date, there were 115,235,013 shares of our common stock outstanding. A majority of the outstanding shares of our common stock entitled to vote at the Annual Meeting must be present in person or by proxy in order for there to be a quorum at the meeting. Stockholders of record who are present at the meeting in person or by proxy and who withhold votes or abstain from voting and broker non-votes will be included in the number of shares present at the meeting for purposes of determining whether a quorum is present.

#### Voting Rights

Each stockholder of record is entitled to one vote at the Annual Meeting for each share of common stock held by such stockholder on the Record Date. Stockholders may vote their shares by using the proxy card enclosed with this Proxy Statement. Stockholders do not have cumulative voting rights. All proxies we receive which are properly voted, whether by signed proxy card or by telephonic or internet voting, that have not been revoked will be voted in accordance with the instructions contained in the proxy. If a proxy is received which does not specify a vote or an abstention, the shares represented by that proxy will be voted (a) for each of the nominees to the Board listed on the proxy card and in this Proxy Statement and (b) for the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. We are not aware, as of the date hereof, of any matters to be voted upon at the Annual Meeting other than those stated in this Proxy Statement and the accompanying Notice of Annual Meeting of Stockholders. If any other matters are properly brought before the Annual Meeting, the enclosed proxy card gives discretionary authority to the persons named as proxies to vote the

shares represented by the proxy card in their discretion.

Votes Required to Approve Each Proposal

The holders of a majority of the outstanding shares of common stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for the Annual Meeting. If a quorum is not present at the meeting, the chairman of the meeting may adjourn the meeting to another place, date or time. If a quorum exists at the Annual Meeting, the stockholders will be entitled to vote on the following proposals:

• the election of directors (Proposal No. 1); and

• the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 (Proposal No. 2)

1

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Directors will be elected by a plurality of the votes cast, which means that the seven director nominees who receive the highest number of shares voted “FOR” their election will be elected.

Adoption of all other proposals requires the affirmative vote of a majority of the votes cast affirmatively or negatively, meaning that the number of shares voted “FOR” a proposal must exceed the number of shares voted “against” such proposal.

Withhold votes, abstentions and broker non-votes will have no impact on the outcome of the proposals and will be counted for purpose of determining whether a quorum exists.

#### Revocability of Proxies

A stockholder of record may revoke a proxy at any time before it is voted at the Annual Meeting by (a) delivering a proxy revocation or another duly executed proxy bearing a later date to the Secretary of our company at 149 Commonwealth Drive, Menlo Park, California 94025 or (b) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not revoke a proxy unless the stockholder actually votes in person at the meeting.

#### Solicitation of Proxies

The proxy card accompanying this Proxy Statement is solicited by our Board. We will pay all of the costs of soliciting proxies. In addition to solicitation by mail, our officers, directors and employees may solicit proxies personally, or by telephone, without receiving additional compensation. If requested, we will pay brokers, banks and other fiduciaries that hold shares of common stock for beneficial owners the reasonable out-of-pocket cost of forwarding these materials to stockholders.

#### Householding of Proxy Materials

“Householding” is a procedure approved by the Securities and Exchange Commission (the “SEC”) under which stockholders who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Proxy Statement from us or a bank, broker or other intermediary, unless one or more of these stockholders notifies us, the bank, broker or other intermediary that they wish to continue to receive individual copies. At the present time, we do not “household” for any of our stockholders of record. However, as explained below, your bank, broker or other intermediary may be householding your account if you hold your shares in street name.

If you hold shares in street name, your bank, broker or other intermediary may deliver only one copy of our Proxy Statement to multiple stockholders of the same household who share the same address, and may continue to do so, unless your bank, broker or other intermediary has received contrary instructions from one or more of the affected stockholders in the household. If you are such a beneficial holder, contact your bank, broker or other intermediary to receive a separate set of our proxy materials.



NOMINEES TO BOARD OF DIRECTORS

At the Annual Meeting, the stockholders will vote on the election of seven directors, each to serve until the annual meeting of stockholders in 2019 and until their successors are duly elected and qualified.

The name, age at March 31, 2018 and principal occupation of each person nominated for election to the Board, all of whom currently serve as our directors, are set forth below:

Name	Age	Occupation
James N. Wilson	74	Chairman of the Board
Joseph K. Belanoff, M.D.	60	Chief Executive Officer and President
G. Leonard Baker, Jr. <sup>(2)</sup>	75	Venture Capitalist
Daniel M. Bradbury <sup>(2)(3)</sup>	57	Founder of BioBrit, LLC
Reneé D. Galá <sup>(1)(3)</sup>	46	Senior Vice President and Chief Financial Officer of Theravance Biopharma, Inc.
David L. Mahoney <sup>(1)(3)</sup>	63	Private Investor
Daniel N. Swisher, Jr. <sup>(1)(2)</sup>	55	President and Chief Operating Officer of Jazz Pharmaceuticals plc

(1)Member of Audit Committee

(2)Member of Compensation Committee

(3)Member of Corporate Governance and Nominating Committee

In addition to the information presented below regarding the qualities that led our Board to conclude that they should serve as directors, our director nominees have a reputation for integrity, honesty and adherence to high ethical standards and have demonstrated business acumen, sound judgment and a commitment to serve our company and the Board. Our Board believes that the backgrounds and qualifications of these nominees, considered as a group, exhibit a combination of experience, knowledge and talent that will allow them to fulfill their responsibilities as Board members.

James N. Wilson has served as a director and as Chairman of our Board since 1999. Since 2005, he has also been the Chairman of the Board of NuGEN Technologies, Inc. (“NuGEN”), a provider of systems for genomic analysis. From 2002 to 2009, Mr. Wilson served as the lead independent director of Amylin Pharmaceuticals, Inc. (“Amylin”), a publicly-traded biopharmaceutical company, and from 1996 to 2001, he was Chairman of the Board of Amira Medical, Inc., which was acquired by Hoffmann-La Roche A.G. From 1991 to 1994, Mr. Wilson was Chief Operating Officer of Syntex Corporation (“Syntex”), which was acquired by Roche Holding, Ltd. From 1989 to 1990, Mr. Wilson was Chairman and Chief Executive Officer of Neurex Corporation (“Neurex”), which was acquired by Elan Corporation plc. From 1982 to 1988, he was Chief Executive Officer of LifeScan, Inc., which was acquired by Johnson & Johnson Company. Mr. Wilson received his B.A. and M.B.A. from the University of Arizona. Mr. Wilson brings to our Board extensive experience in the biotechnology industry, as both a Chief Executive Officer and director.

Joseph K. Belanoff, M.D. is a co-founder of our company and has served as a member of our Board and our Chief Executive Officer since 1999, and as our President since 2014. Dr. Belanoff is a clinical faculty member at Stanford University (School of Medicine), where he has, since 1992, held various positions in the Department of Psychiatry and Behavioral Sciences. Dr. Belanoff received his B.A. from Amherst College and his M.D. from Columbia University’s College of Physicians & Surgeons. Dr. Belanoff brings to our Board a deep knowledge of our financial activities, commercial operations and our research and development programs. He also has valuable expertise in business administration, drug discovery, clinical medicine and psychopharmacology.

G. Leonard Baker, Jr. has served as a member of our Board since 1999. Since 1973, Mr. Baker has been a Managing Director of the General Partner of Sutter Hill Ventures, a venture capital firm in Palo Alto, California. Mr. Baker

currently serves on the boards of a number of private companies. He received his B.A. from Yale University and his M.B.A. from Stanford University. Mr. Baker brings to our Board extensive experience in advising companies about finance, strategic transactions and operations.

3

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Daniel M. Bradbury has served as a member of our Board since October 2012. Mr. Bradbury is the Founder and Managing Member of BioBrit, LLC, a life sciences consulting and investment firm and Chief Executive Officer, Chairman and Co-Founder of Equillium, Inc., a private biopharmaceutical company focused on developing first-in-class therapies to treat severe autoimmune disorders with high unmet medical need. Mr. Bradbury served as President and Chief Executive Officer of Amylin from March 2007 until its acquisition by Bristol-Myers Squibb Company in August 2012. From June 2006 until August 2012 he was a member of Amylin's board of directors and served on its Finance and Risk Management Committee. Mr. Bradbury served as Amylin's President (2006 to 2007), Chief Operating Officer (2003 to 2006) and Executive Vice President (2000 to 2003) and held a variety of sales and marketing positions (1994 to 2003). Before joining Amylin, Mr. Bradbury worked in marketing and sales for ten years at SmithKline Beecham Pharmaceuticals. He currently serves on the boards of directors and is a member of board committees of the following publicly-traded companies: Geron Corporation (Audit and Nominating & Governance Committees), Biocon Limited (Audit & Risk and Stakeholder Relation Committees) and Intercept Pharmaceuticals, Inc. (Audit and Nominating & Governance Committees). He received a Bachelor of Pharmacy from Nottingham University and a Diploma in Management Studies from Harrow and Ealing Colleges of Higher Education in the United Kingdom. Mr. Bradbury brings to our Board extensive experience in pharmaceutical industry strategy, operations and management.

Reneé D. Galá joined our Board in June 2016. She has been the Senior Vice President and Chief Financial Officer of Theravance Biopharma, Inc., a publicly-traded biopharmaceutical company, since July 2014. From 2006 to June 2014, Ms. Galá held various roles in the finance organization before leading the separation of the biopharmaceutical business (now Theravance Biopharma) from the royalty company, Innoviva, Inc. From 2001 to 2006, Ms. Galá held positions in global treasury, pharmaceutical sales and corporate strategy/business development at Eli Lilly and Company, a publicly-traded drug manufacturing company. Before that, Ms. Galá worked for seven years in the energy industry, both in the U.S. and internationally, in positions focused on corporate finance, project finance, and mergers and acquisitions. Ms. Galá received a B.S. in Mathematics from Vanderbilt University and an M.B.A. from Columbia Business School. Ms. Galá brings to our Board extensive experience in pharmaceutical industry sales, finance, corporate strategy and business development.

David L. Mahoney is a private investor who has served as a member of our Board since July 2004. From 1999 to 2001, Mr. Mahoney served as co-Chief Executive Officer of McKesson HBOC, Inc., a healthcare supply management and information technology company, and as Chief Executive Officer of iMcKesson LLC, a healthcare management and connectivity company. He joined McKesson Corporation in 1990 as Vice President for Strategic Planning. Prior to joining McKesson, Mr. Mahoney was a principal with McKinsey & Company, a management consulting firm, where he worked from 1981 to 1990. Mr. Mahoney serves on the board of Symantec Corporation ("Symantec"), a publicly-traded software technology company, including as chair of its Compensation Committee and a member of its Nominating and Governance Committee; and Adamas Pharmaceuticals, Inc., a publicly traded bio-pharmaceutical company, where he is the Lead Independent Director and chair of the Compensation Committee. Mr. Mahoney also served as a member of the Audit Committee of Symantec from 2003 to 2011. He also serves on the boards of directors of the San Francisco Museum of Modern Art and Mercy Corps and is a Trustee of the Schwab/Laudus Family of Funds and Mount Holyoke College. Mr. Mahoney previously served on the board of directors of KQED, Inc., a public non-profit television and radio operator. Mr. Mahoney received his B.A. from Princeton University and his M.B.A. from Harvard University. Mr. Mahoney brings to our Board extensive experience in pharmaceutical management, operating strategy and logistics.

Daniel N. Swisher, Jr. became a member of our Board in June 2015. He has been the President and Chief Operating Officer of Jazz Pharmaceuticals since January 2018. From 2003 to December 2017, he was Chief Executive Officer and a member of the board of directors of Sunesis Pharmaceuticals, a clinical-stage biopharmaceutical company. From 2005 to 2017 he was also its President. He joined Sunesis in 2001 and had previously served as the company's chief business officer and chief financial officer. Prior to that, Mr. Swisher held a range of senior management roles, including Senior Vice president of Sales and Marketing at ALZA Corporation, a pharmaceutical and medical systems company, from 1992 to 2001. Mr. Swisher has served as Chairman of the Board of Cerus Corporation, a publicly

traded biopharmaceutical company, since 2013. Mr. Swisher received his B.A. from Yale University and an M.B.A. from the Stanford Graduate School of Business. Mr. Swisher brings to our Board experience in life science industry sales, operations and finance.

There are no family relationships among any of our directors or named executive officers.

4

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## DIRECTOR NOMINATION

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to serve as members of the Board, recommending to the Board nominees for election as directors and providing oversight with respect to corporate governance and ethical conduct. The Corporate Governance and Nominating Committee's charter is available at [www.corcept.com](http://www.corcept.com). The Committee currently consists of David L. Mahoney (Chairman), Daniel M. Bradbury and Reneé D. Galá. Following the 2018 Annual Meeting of Stockholders, assuming the election of each director nominee herein, the Corporate Governance and Nominating Committee will remain the same. The Board has determined that all members of the Corporate Governance and Nominating Committee are independent under the rules of the Nasdaq Stock Market. The Corporate Governance and Nominating Committee met four times during 2017. In accordance with the requirements of the Nasdaq Stock Market, director nominees are recommended for the Board's selection by the Corporate Governance and Nominating Committee.

The information below describes the criteria and process that the Corporate Governance and Nominating Committee uses to evaluate candidates for director.

**Board Membership Criteria.** The Corporate Governance and Nominating Committee assesses whether candidates possess the experience, skills and judgment to serve on the Board. Although there is no policy regarding diversity in director nominees, both the Corporate Governance and Nominating Committee and the Board seek the talents and backgrounds that would be most helpful to the Company. In particular, the Corporate Governance and Nominating Committee, when recommending director candidates, considers whether a candidate could help the Board represent a diversity of background and experience. The Corporate Governance and Nominating Committee also seeks to ensure that a majority of the directors are independent under the rules of the Nasdaq Stock Market, that the Audit Committee and Compensation Committee are each composed of independent directors, and that members of the Audit Committee possess the accounting and financial expertise the Nasdaq Stock Market and SEC rules require.

**Stockholders Proposals for Nominees.** The Corporate Governance and Nominating Committee will consider written proposals from stockholders for nominees for director. Such nominations should be submitted to the Secretary of our Company and should include the following information: (a) all information required by Regulation 14A of the Securities Exchange Act of 1934, as amended ("Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and willingness to serve as a director; (b) the name(s) and address(es) of the stockholder(s) making the nomination and the number of shares of our common stock which are owned beneficially and of record by such stockholder(s); and (c) biographical information and a statement as to the qualifications of the nominee. Our Amended and Restated Bylaws provide that advance notice of a stockholder's proposal to be brought before the 2019 Annual Meeting of Stockholders, including director nominations, must be delivered to the Secretary of our company at our principal executive offices not earlier than 120 days (December 26, 2018) and not later than 90 days (January 25, 2019) prior to the anniversary of the mailing date of the proxy materials for the previous year's annual meeting. Our Amended and Restated Bylaws also provide that in the event that the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the anniversary date of the preceding year's annual meeting, this advance notice must be received not later than the close of business on the later of (i) the 120<sup>th</sup> day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made.

**Process for Identifying and Evaluating Nominees.** The Corporate Governance and Nominating Committee initiates the process for identifying and evaluating nominees to the Board by identifying a slate of candidates who meet the criteria for selection as nominees and have the specific qualities or skills being sought based on input from members of the Board, management and, if the Corporate Governance and Nominating Committee deems appropriate, a third-party search firm. The Corporate Governance and Nominating Committee will also consider recommendations for nominees by stockholders on the same basis.



With respect to candidates for initial election to the Board, the Corporate Governance and Nominating Committee also reviews biographical information and qualifications and checks the candidate's references. Qualified candidates are interviewed by at least one member of the Corporate Governance and Nominating Committee. Serious candidates meet, either in person or by telephone, with all members of the Corporate Governance and Nominating Committee and as many other members of the Board as practicable.

Based on interviews and other information, the Corporate Governance and Nominating Committee evaluates which of the prospective candidates is qualified to serve as a director and whether the Committee should recommend to the independent members of the Board that the Board nominate, or elect to fill a vacancy with, a prospective candidate. Candidates recommended by the Corporate Governance and Nominating Committee are presented to the Board for selection as nominees to be presented for the approval of the stockholders or for election to fill a vacancy. The Corporate Governance and Nominating Committee expects that a similar process will be used to evaluate nominees recommended by stockholders.

Nominees to the Board of Directors for the Annual Meeting. The nominees for the Annual Meeting were recommended for selection by the Corporate Governance and Nominating Committee and were selected by the Board.

## BOARD MEETINGS AND COMMITTEES

The Board met four times in 2017. In addition to the Corporate Governance and Nominating Committee, which is described above, the Board has Audit and Compensation Committees. The Audit Committee met five times and the Compensation Committee met two times in 2017. Each member of the Board attended 75% or more of the total number of Board meetings and meetings of Board committees on which such Board member served. The independent directors of the Board met in executive sessions four times in 2017.

We encourage our directors to attend the annual stockholder meetings. One of our directors attended the 2017 annual stockholder meeting.

**Audit Committee.** In 2017, the Audit Committee consisted of Daniel N. Swisher, Jr. (Chairman of the Committee), Reneé D. Galá and David L. Mahoney. Following the 2018 Annual Meeting of Stockholders, assuming the election of each director nominee herein, the Audit Committee will remain the same. The Board has determined that all members of the Audit Committee are independent under the rules of the Nasdaq Stock Market and that each of them can read and understand financial statements. In addition, the Board has determined that each member of the Audit Committee satisfies the independence requirements of Rule 10A-3(b)(1) of the Exchange Act. The Board has determined that each of Messrs. Swisher and Mahoney and Ms. Galá qualifies as an “Audit Committee financial expert” as defined by Item 407(d)(5) of Regulation S-K of the Securities Act and the Exchange Act. The purpose of the Audit Committee is to oversee the accounting and financial reporting processes and financial statements audits. The responsibilities of the Audit Committee include appointing and providing for the compensation of the independent registered public accounting firm to conduct the annual audit of our accounts, reviewing the scope and results of the independent audits, reviewing and evaluating internal accounting policies, and approving all professional services to be provided to us by our independent registered public accounting firm. The Audit Committee charter is available at [www.corcept.com](http://www.corcept.com).

**Compensation Committee.** In 2017, the Compensation Committee consisted of G. Leonard Baker, Jr. (Chairman), Daniel M. Bradbury and Daniel N. Swisher, Jr. Following the 2018 Annual Meeting of Stockholders, assuming the election of each director nominee herein, the Compensation Committee will remain the same. The Board has determined that all members of the Compensation Committee are independent under the rules of the Nasdaq Stock Market. The Compensation Committee administers the Company’s benefit plans, reviews and administers compensation arrangements with named executive officers, and establishes and reviews our policies relating to the compensation and benefits of our officers and employees. The Compensation Committee’s charter permits it to delegate its authority and responsibilities as it deems appropriate to individual members of the Compensation Committee or to a subcommittee of the Compensation Committee. The charter is available at [www.corcept.com](http://www.corcept.com).



## BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT

Board Leadership Structure. We are committed to sound corporate governance practices and value independent board oversight as an essential component of strong corporate performance. Five of our seven directors qualify as independent under the rules of the Nasdaq Stock Market, and, following the 2018 Annual Meeting of Stockholders, assuming the election of each director nominee herein, that will remain the case. In April 2018, our Board reviewed the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our Board determined that the following directors are “independent” under the rules of the Nasdaq Stock Market:

G. Leonard Baker, Jr.

Daniel M. Bradbury

Reneé D. Galá

David L. Mahoney

Daniel N. Swisher, Jr.

In accordance with our Amended and Restated Bylaws, our Board appoints our officers, including our Chief Executive Officer. Our Board does not have a policy on whether the role of the Chairman of the Board and Chief Executive Officer should be separate and, if it is to be separate, whether the Chairman of the Board should be selected from the non-employee directors or be an employee and if it is to be combined, whether a lead independent director should be selected. Currently, we separate the roles of Chief Executive Officer and Chairman of the Board. The Chief Executive Officer is responsible for setting Corcept’s strategic direction and its day-to-day leadership and performance. The Chairman of the Board provides guidance to the Chief Executive Officer, sets the agenda for Board meetings and presides over meetings of the full Board. Dr. Belanoff, our Chief Executive Officer, is an employee of our company and is therefore not “independent” under the rules of the Nasdaq Stock Market. Until June 2016, Mr. Wilson, our Chairman of the Board, was also an employee and is therefore not “independent” under the rules of Nasdaq Stock Market. Mr. Wilson has not been an employee of the Company since June 2016. Our Board believes that its current leadership structure is appropriate for our Company and stockholders.

Risk Oversight. The Board oversees our risk exposures and risk management and the steps management has undertaken to control business and financial risks. The Board reviews our strategic plan at least annually and assesses the risks facing our company. While the Board has ultimate responsibility for the Company’s risk management process, various committees of the Board also have responsibility for risk management. Our Audit Committee oversees management of risks relating to accounting matters, financial reporting and SEC compliance. Our Compensation Committee oversees the management of risks relating to executive compensation. In addition, in setting compensation, the Compensation Committee strives to create incentives that discourage risk-taking that is inconsistent with our business strategy. Our Corporate Governance and Nominating Committee oversees management of risks associated with maintaining independence of our Board and preventing conflicts of interest. Each committee regularly reports to the full Board.

## COMMUNICATIONS WITH DIRECTORS

Stockholders or other interested parties may communicate with any director or committee of our Board by writing to them c/o Secretary, Corcept Therapeutics Incorporated, 149 Commonwealth Drive, Menlo Park, California 94025. Comments or questions regarding our accounting, internal controls or auditing matters will be referred to the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to the Corporate Governance and Nominating Committee.

## COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Our Compensation Committee consists of G. Leonard Baker, Jr. (Chairman), Daniel M. Bradbury and Daniel N. Swisher, Jr., none whom is currently, or has been, an officer or employee of our company. None of our named executive officers currently serves or in the past year has served as a member of the board of directors of any entity that has one or more named executive officers serving on our Board or Compensation Committee.

## INFORMATION CONCERNING EXECUTIVE OFFICERS

The names of our executive officers, their ages as of March 31, 2018 and certain other information about them are set forth below:

Name	Age	Position
Joseph K. Belanoff, M.D.	60	Chief Executive Officer, President and Director
Robert S. Fishman	56	Chief Medical Officer
G. Charles Robb	55	Chief Financial Officer and Secretary
Sean Maduck	41	Senior Vice President, Commercial

Joseph K. Belanoff, M.D. Biographical information regarding Dr. Belanoff is set forth under “Nominees to Board of Directors.”

Robert S. Fishman, M.D. has served as our Chief Medical Officer since September 2015. From 2012 to 2015, Dr. Fishman served as the Senior Vice President of Clinical Development at InterMune, Inc., a biopharmaceutical company. Prior to his tenure at InterMune, Dr. Fishman served as Vice President of Clinical Development at Alexza Pharmaceuticals, a biopharmaceutical company, from 2007 to 2012. Before that, he held positions of increasing responsibility at Heartport, Aerogen and Anthera Pharmaceuticals. Dr. Fishman trained in internal medicine at Deaconess Hospital, Boston, completed a fellowship in pulmonary and critical care medicine at Massachusetts General Hospital and began his career as a member of the Stanford pulmonary medicine faculty. He earned an A.B. in Biology from Harvard and an M.D. from Stanford University School of Medicine.

G. Charles Robb has served as our Chief Financial Officer since September 2011 and as our Secretary since January 2014. From 2005 to 2011, Mr. Robb served as the Senior Vice President of Operations, Administration and Finance of Fitness Anywhere, Inc., a private fitness equipment and training company with operations in the United States, Europe and Asia. From 2003 to 2005, Mr. Robb was engaged in the private practice of law. From 2000 to 2002, he was Senior Vice President of Citadon, Inc. He also held positions in business development for Nomura Asset Capital Corporation from 1998 to 1999 and in sales and marketing for Legal Research Network, Inc. from 1996 to 1998. From 1992 to 1996, Mr. Robb practiced law at Howard, Rice, Nemerovski, Canady, Falk & Rabkin. Mr. Robb earned a B.A. in English and Political Philosophy from Yale and a J.D. from Harvard Law School.

Sean Maduck has served as our Senior Vice President, Commercial since April 2016. Prior to that, he served as our Vice President, Sales & Marketing. Mr. Maduck joined Corcept in 2012, bringing to the company 12 years of pharmaceutical, biotechnology and management experience. From 2002 to 2012, he held positions in the Finance, Portfolio Planning, and Commercial functions at Genentech. Prior to Genentech, he was an investment banking analyst at W.R Hambrecht + Company. He currently serves on the Board of Directors of the Cancer Support Community – San Francisco Bay Area. Mr. Maduck earned an A.B. from Dartmouth College, a B.E. in Biomedical Engineering from the Thayer School of Engineering at Dartmouth College, and a Masters in Management from the Stanford Graduate School of Business.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding ownership of our common stock as of March 31, 2018 (or earlier date with respect to information regarding former employees or that is based on filings with the SEC) by (a) each person known to us to own more than 5% of the outstanding shares of our common stock, (b) our directors, (c) our Chief Executive Officer and each other named executive officer named in the compensation tables appearing later in this Proxy Statement and (d) all directors and named executive officers as a group. The information in this table is based solely on statements in filings with the SEC or other information we believe to be reliable. Percentage of ownership is based on 115,195,983 shares of common stock outstanding as of March 31, 2018. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the shares. Shares of common stock subject to outstanding options and warrants exercisable within 60 days of March 31, 2018 are deemed outstanding for computing the percentage of ownership of the person holding such options or warrants but are not deemed outstanding for computing the percentage of any other person.

Name of Beneficial Owner (1)	Number of Shares Beneficially Owned (2)	Percentage of Shares Beneficially Owned
<b>5% Stockholders</b>		
BlackRock, Inc. (3)	13,049,133	11.3%
Federated Investors, Inc. and affiliated entities (4)	12,624,012	11.0%
Vanguard Group Inc. (5)	9,370,179	8.1%
Ingalls & Snyder, LLC and affiliated entities (6)	7,217,724	6.3%
Consonance Capital Management LP and affiliated entities (7)	5,779,506	5.0%
<b>Directors and Named Executive Officers</b>		
Joseph K. Belanoff (8)	5,940,757	5.0%
G. Leonard Baker, Jr. (9)	4,645,527	4.0%
James N. Wilson (10)	3,566,059	3.1%
David L. Mahoney (11)	1,429,888	1.2%
	1,192,812	1.0%

G. Charles Robb (12)		
Sean Maduck <sup>(13)</sup>	756,899	*
Daniel M. Bradbury <sup>(14)</sup>	375,575	*
Robert S. Fishman (15)	348,208	*
Daniel N. Swisher, Jr. <sup>(16)</sup>	131,041	*
Reneé D. Galá <sup>(17)</sup>	73,541	*
All directors and named executive officers as a group (10 persons) <sup>(18)</sup>	18,460,307	15.0%

\*Less than 1% of our outstanding common stock.

<sup>(1)</sup>Unless otherwise indicated, the address of each of the named individuals is c/o Corcept Therapeutics, 149 Commonwealth Drive, Menlo Park, California 94025.

<sup>(2)</sup>Beneficial ownership of shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or of which a person has the right to acquire ownership within 60 days after March 31, 2018. Except as otherwise noted, each person or entity has sole voting and investment power with respect to the shares shown.

<sup>(3)</sup>Consists of 13,049,133 shares held by BlackRock, Inc., or BlackRock. Information regarding the holdings of Blackrock is based on information obtained from Amendment No. 2 to Schedule 13G filed by Blackrock with respect to its holdings as of January 31, 2018. The address for BlackRock is 55 East 52<sup>nd</sup> Street, New York, NY 10055.

<sup>(4)</sup>Consists of shares beneficially held by registered investment companies and separate accounts advised by subsidiaries of Federated Investors, Inc., or Federated, that have been delegated the power to direct investments and power to vote the securities by the registered investment companies' board of trustees or directors and by the separate accounts' principals. The foregoing beneficial ownership information is based on information obtained from Amendment No. 9 to Schedule 13G filed by Federated Investors, Inc. with respect to its holdings as of December 31, 2017. Federated is the parent holding company of Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp., collectively referred to herein as the Investment Advisers, which act as investment advisers to

registered investment companies and separate accounts that own shares of our common stock. The Investment Advisers are wholly owned subsidiaries of FII Holdings, Inc., which is wholly owned subsidiary of Federated. All of Federated's outstanding voting stock is held in the Voting Shares Irrevocable Trust, or the Trust, for which John F. Donahue, Rhodora J. Donahue and J. Christopher Donahue act as trustees, collectively referred to herein as the Trustees. The Trustees exercise collective voting control over Federated. Each of Federated, the Trust and the Trustees disclaims beneficial ownership of all holdings reflected herein, except to the extent of his individual pecuniary interest therein. Federated's address is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, Pennsylvania 15222-3779.

- (5) Consists of 9,370,179 shares held by Vanguard Group Inc, or Vanguard. Information regarding the holdings of Vanguard is based on information obtained from Amendment No. 0 to Schedule 13G filed by Vanguard with respect to its holdings as of December 31, 2017. The address for Vanguard is PO Box 2600, V26, Valley Forge, PA 19482.
- (6) Consists of shares held by Ingalls & Snyder LLC, or Ingalls, for the benefit of Ingalls & Snyder Value Partners, L.P., or ISVP, or other investment advisory clients. Information regarding the holdings of Ingalls and ISVP is based on information obtained from Amendment No. 9 to Schedule 13G filed by Ingalls with respect to its holdings as of December 31, 2017. ISVP is an investment partnership managed under an investment advisory contract by Ingalls, a registered broker dealer and a registered investment advisor. Ingalls holds investment authority but not voting authority over shares held by its investment advisory clients. Mr. Thomas O. Boucher, Jr., a Managing Director of Ingalls, and Mr. Robert L. Gipson and Adam Janovic, Senior Directors of Ingalls, are the general partners of ISVP and share investment and voting power over the shares held by ISVP. Each of these individuals disclaims beneficial ownership of all such shares, except to the extent of his individual pecuniary interest therein. The address for Ingalls is 1325 Avenue of the Americas, New York, NY 10019.
- (7) Consists of an aggregate of 5,779,506 shares held by Consonance Capital Management LP, or the Adviser, Consonance Capital Opportunity Fund Management LP, or Consonance Opportunity, Mitchell Blutt and Consonance Capman GP LLC, or Capman. Information regarding the holdings of these parties is based on information obtained from a Schedule 13G filed by them with respect to their holdings as of December 31, 2017. Consonance Capital Master Account LP, or Consonance Master, directly holds 5,779,506 shares of our common stock (the "Master Account Shares"). The Adviser, is the investment adviser of Consonance Master, and pursuant to an investment advisory agreement, the Adviser exercises voting and investment power over the Master Account Shares held by Consonance Master. Capman is the general partner of the Adviser and Mitchell Blutt, as the Manager & Member of Capman and Chief Executive Officer of the Adviser, may be deemed to control Capman and the Adviser. Each of the Adviser, Capman and Mr. Blutt may be deemed to beneficially own the Master Account Shares. A managed account managed by Consonance Opportunity directly holds 101,262 shares of our common stock (the "Managed Account Shares"). Capman is the general partner of Consonance Opportunity and Mitchell Blutt, as the Manager & Member of Capman, may be deemed to control Capman and Consonance Opportunity. Each of Consonance Opportunity, Capman and Mr. Blutt may be deemed to beneficially own the Managed Account Shares. The address for these parties is 1370 Avenue of the Americas, Floor 33, New York, NY 10019.
- (8) Includes (a) 3,476,562 shares that may be acquired by Dr. Belanoff within 60 days of March 31, 2018 pursuant to options and (b) 300,000 shares held as custodian for Julia E. Belanoff under the California Uniform Transfers to Minors Act over which Dr. Belanoff has voting control.
- (9) Includes (a) 207 shares held in Mr. Baker's name, (b) 955,055 shares held in The Baker Revocable Trust of which Mr. Baker is a trustee, (c) 776,631 shares held by a Roth IRA for the benefit of Mr. Baker, (d) 2,613,634 shares held by Saunders Holdings, L.P. of which Mr. Baker is a trustee of a trust which is the general partner and (e) 300,000 shares that may be acquired by Mr. Baker within 60 days of March 31, 2018.
- (10) Includes (a) 1,293,125 shares that may be acquired by Mr. Wilson within 60 days of March 31, 2018 pursuant to options, (b) 1,371,867 shares held by the James N. Wilson and Pamela D. Wilson Trust and (c) 901,067 shares held by James and Pamela Wilson Family Partners. Mr. Wilson has voting power over the shares held by the James N. Wilson and Pamela D. Wilson Trust and James and Pamela Wilson Family Partners pursuant to voting agreements. Mr. Wilson disclaims beneficial ownership of all of such shares, except to the extent of his pecuniary interest therein.

(11)

- Includes (a) 1,119,888 shares held by the David L. Mahoney and Winnifred C. Ellis 1998 Family Trust and (b) 310,000 shares that may be acquired by Mr. Mahoney within 60 days of March 31, 2018 pursuant to options. Mr. Mahoney is a member of our Board.
- <sup>(12)</sup>Includes (a) 6,858 shares held in Mr. Robb's name, (b) 1,181,250 shares that may be acquired by Mr. Robb within 60 days of March 31, 2018 pursuant to options and (c) 4,704 shares held as custodian for his children under the California Uniform Transfers to Minors Act over which Mr. Robb has voting control.
- <sup>(13)</sup>Includes (a) 30,024 shares held in Mr. Maduck's name and (b) 726,875 shares that may be acquired by Mr. Maduck within 60 days of March 31, 2018 pursuant to options.
- <sup>(14)</sup>Consists of (a) 155,575 shares held in the name of BioBrit, LLC, over which Mr. Bradbury has voting and investment power, and (b) 220,000 shares that may be acquired by Mr. Bradbury within 60 days of March 31, 2018 pursuant to options.
- <sup>(15)</sup>Includes 348,208 shares that may be acquired by Mr. Fishman within 60 days of March 31, 2018 pursuant to options.
- <sup>(16)</sup>Includes 131,041 shares that may be acquired by Mr. Swisher within 60 days of March 31, 2018 pursuant to options.
- <sup>(17)</sup>Includes (a) 10,000 shares held in Ms. Galá's name and (b) 63,541 shares that may be acquired by Ms. Galá within 60 days of March 31, 2018 pursuant to options.
- <sup>(18)</sup>Total number of shares includes common stock held by directors, named executive officers and entities affiliated with directors and named executive officers. See footnotes 7 through 16 above.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As a matter of policy, all related party transactions between us and any of our officers, directors or principal stockholders are reviewed and approved by our Audit Committee, as set forth in its charter, or a majority of the independent and disinterested members of our Board, to ensure they are on terms no less favorable to us than could be obtained from unaffiliated third parties and have bona fide business purposes. In 2017, there were no related party transactions.

**Severance and Change in Control Agreements.** We have entered into severance and change in control agreements with our executive officers. The agreements provide that, if employment is terminated without cause or for good reason regardless of whether it is in connection with a change in control, the executive will be eligible for 12 months of his or her then current base salary and continued health insurance coverage for this same period. In addition, the agreements provide for the full vesting of all outstanding equity awards in the event the executive's employment is terminated without cause or for good reason within 18 months following a change in control.

**Director Indemnification Agreements.** We have entered into indemnification agreements with our directors and executive officers. Such agreements require us, among other things, to indemnify our officers and directors, other than for liabilities arising from willful misconduct of a culpable nature, and to advance their expenses incurred as a result of any proceedings against them as to which they could be indemnified.

See "Director Compensation" for a discussion of our director compensation policy.

## CODE OF ETHICS

We have adopted a Code of Ethics that applies to all of our directors, officers and employees, including our principal executive officer, our principal financial officer and our principal accounting officer, which is available at our website, [www.corcept.com](http://www.corcept.com). We intend to disclose at [www.corcept.com](http://www.corcept.com) any amendment to, or waiver of, any provision of our Code of Ethics applicable to our directors and executive officers required to be disclosed under the rules of the SEC and the Nasdaq Stock Market.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Exchange Act and SEC rules, our directors, executive officers and beneficial owners of more than 10% of any class of our equity securities are required to file periodic reports of their ownership, and changes in that ownership, with the SEC. Based solely on our review of copies of these reports and representations of such reporting persons, we believe that, during the year ended December 31, 2017, such reporting persons met all applicable Section 16(a) filing requirements.



## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Our goal is to ensure that we offer compensation that is competitive, rewards good performance in both the short- and long-term and is appropriate for Corcept. Direct compensation consists of salary, periodic cash bonuses for the achievement of significant corporate goals and long-term equity incentive awards. The Compensation Committee has primary responsibility for the design and administration of our executive compensation program.

This section discusses the principles underlying our policies with respect to the compensation of the named executive officers included in the “Summary Compensation Table” and the factors that determined the compensation decisions we made in 2017. Our named executive officers for 2017 were Joseph K. Belanoff, M.D., Chief Executive Officer and President; G. Charles Robb, Chief Financial Officer and Secretary; Sean Maduck, Senior Vice President, Commercial; and Robert S. Fishman, Chief Medical Officer.

Mr. Maduck was appointed as an executive officer by our board of directors on February 7, 2018.

### Executive Summary

During 2017, we had significant development, operational and commercial accomplishments:

- Increased revenue from the sale of Korlym® for the treatment of patients with hypercortisolism from \$81.3 million in 2016 to \$159.2 million in 2017, an increase of 96 percent.
- Increased our cash and investments balance by 101.8% to \$104.0 million by December 31, 2017.
- Advanced the Phase 2 trial of our next-generation selective cortisol modulator, relacorilant, to treat patients with hypercortisolism and began preparations for its Phase 3 trial in the U.S. and Europe.
- Generated encouraging data in our Phase 1/2 trial of relacorilant in combination with nab-paclitaxel (Celgene Corporation’s drug, Abraxane®) to treat patients with a variety of solid tumors and began studying the combination’s possible efficacy in patients with metastatic pancreatic cancer.
- Advanced the pre-clinical development of other compounds from our proprietary series of selective cortisol modulators.
- Began the Phase 1 trial of CORT118335, our proprietary cortisol modulator which has shown promise as a potential treatment for patients with anti-psychotic induced weight gain and non-alcoholic steatohepatitis.

### Executive Compensation 2017 Program Overview

Based on our compensation principles and in light of both company and individual performance, the Compensation Committee took the following actions with respect to the compensation for our named executive officers for 2017:

**Salary.** Effective March 1, 2017, the Compensation Committee approved 5.5 percent increases to the annual base salaries of Dr. Belanoff, Mr. Robb, Mr. Maduck and Mr. Fishman.

**Bonuses.** In accordance with our practice of awarding bonuses to named executive officers for the achievement of significant corporate goals, in February 2018, we paid bonuses to all employees of the company, including Drs. Belanoff and Fishman and Messrs. Robb and Maduck, in recognition of their accomplishments described above.

Equity Awards. In February 2017, the Board approved grants of options to each of our named executive officers. These option awards vest monthly over a four-year period, subject to the named executive officer's continued employment through each applicable vesting date. These awards were given to our named executive officers as an incentive toward their continued service to Corcept, and their work toward achieving our long-term goals.

### Strong Stockholder Support for our Compensation Decisions

At our annual stockholder meeting in 2017, of those stockholders that voted, 95 percent voted to approve the 2016 compensation of our named executive officers and 58 percent voted in favor of our practice of submitting the compensation of our named executive officers to a non-binding stockholder vote once every three years. In light of this support, the Compensation Committee did not change the design of our compensation programs during 2017. The Compensation Committee will continue to work to ensure that management's interests are aligned with our stockholders' interests to support long-term value creation. Taking into account the stockholder vote in favor of having a non-binding stockholder vote on executive compensation once every three years, we plan to hold our next advisory vote to approve our named executive officers' compensation at our 2020 annual stockholder meeting.

### Compensation Principles and Objectives

Our compensation program is meant to attract, motivate and retain highly qualified executive officers by paying them competitively, consistent with our success and their contributions to it. We set goals designed to link each named executive officer's compensation to our corporate performance, such as the attainment of significant research, development, commercial, operational and financial targets. Because pharmaceutical product development can take many years, a portion of our executives' compensation is determined by achievements that increase stockholder value in the long term.

Except for their salaries, compensation for our named executive officers is performance-based. The Compensation Committee determines the structure and amount of performance-based compensation based on the its members' knowledge of the most effective practices in the biotechnology and specialty pharmaceutical industries.

These are the Compensation Committee's objectives:

- Align executive and stockholder interests in both the short and long term by providing equity awards and bonuses that are tied to company and individual performance;
- Make sure compensation is competitive by relying on the Compensation Committee members' deep expertise and many years' experience with companies both inside and outside the pharmaceutical industry, recognizing that because of our business model, there may be few directly comparable companies; and
- Recognize that optimum compensation practices for a company with relatively few employees may be substantially different than those for a larger, more mature company.

To realize its objectives, the Compensation Committee has offered our executives stock option grants that reward significant, sustained increases in our stock market value and discretionary bonuses based on the achievement of important corporate goals. The Compensation Committee reviews our performance-based compensation offerings at least annually.

The Chairman of the Board and the members of the Compensation Committee are seasoned executives of, consultants to, or venture capitalists with investments in, the biotechnology and specialty pharmaceutical industry. Collectively they have served as board and compensation committee members of many public and privately held companies including NuGen, Jazz Pharmaceuticals, Aimune Therapeutics, Symantec, Sunesis Pharmaceuticals, Adamas Pharmaceuticals, Intercept Pharmaceuticals, Geron Corporation and Cerus Corporation. As a result of this extensive involvement in the compensation of executives in these and other companies, we believe that the Chairman of the Board and the members of the Compensation Committee clearly understand the compensation structures and amounts that are necessary to attract, motivate and retain management talent in our industry.



## Determination of Compensation

The Compensation Committee reviews the performance of our named executive officers annually. To aid the Compensation Committee in its deliberations, our Chief Executive Officer reviews the performance of all executives other than himself and makes compensation recommendations regarding them. The Compensation Committee bases its review on the Chief Executive Officer's input and on its evaluation of the achievements of Corcept and of each executive during the period. The Compensation Committee then sets salaries, performance bonuses and grants of stock options, taking into account its members' understanding of compensation practices in the biotechnology and pharmaceutical industry and the members' experiences as executives, consultants, board and compensation committee members, and investors in such companies.

## Tax Considerations

In making its compensation determinations, our Compensation Committee considers the impact of Section 162(m) of the Internal Revenue Code of 1986, as amended, which limits the tax deductibility by us of annual compensation in excess of \$1,000,000 paid to our named executive officers.

While the tax impact of any compensation arrangement is one factor to be considered, such impact is evaluated in light of the Compensation Committee's overall compensation philosophy and objectives. The Compensation Committee considers ways to maximize the deductibility of executive compensation, while retaining the flexibility to compensate officers in a manner commensurate with their performance and the competitive market for executive talent. The Compensation Committee may award compensation to our named executive officers that may not be fully deductible if it determines that such compensation is in our stockholders' best interests and is consistent with our compensation principles.

## Elements of Executive Compensation

### Base Compensation

The Compensation Committee determines our executives' salaries based on its members' many years of assessing competitive market rates and the salaries required to attract, motivate and retain talented executives. Each year the Compensation Committee reviews the Chief Executive Officer's salary to determine if a change is appropriate based on its assessment of market trends and our company's commercial and clinical performance. The Compensation Committee applies similar scrutiny to the salaries of our other officers, with input from the Chief Executive Officer. No formulaic salary increases are provided to our named executive officers. The Compensation Committee increased the annual base salary for Drs. Belanoff and Fishman and Messrs. Robb and Maduck each by 5.5 percent, effective March 1, 2017, to reflect its assessment of market trends for cost of living increases.

### Performance-Based Compensation

**Cash Bonus.** We pay discretionary bonuses annually based on the Compensation Committee's assessment of our company's and each named executive officer's contribution to the achievement of significant corporate goals. The Compensation Committee believes that the best way to ensure that our executives' compensation is aligned with our business objectives and the interests of our stockholders is to retain the discretion to pay bonuses when significant goals are met, such as the approval of a new product, a significant increase in revenue, substantial advances to our research and development programs, and building our management and operational capabilities. The achievement of these types of milestones does not necessarily correspond with annual performance periods. Performance-based cash compensation has been awarded in recent years primarily to recognize the accomplishment of such value-enhancing goals, substantial revenue growth and achievement of important pre-clinical and clinical goals.



In February 2018, the Compensation Committee evaluated the performance of our company and each of our named executive officers with respect to our short- and long-term goals. The Compensation Committee reviewed the accomplishments set forth in the Executive Summary above, including significant growth in our revenue and cash balance, the advancement of relacorilant to treat patients with hypercortisolism and solid tumors, the start of clinical trials of CORT125281 to treat patients with CRPC and CORT118335 to treat patients with serious metabolic disorders, and the pre-clinical development of additional selective cortisol modulators. The Compensation Committee approved bonus payments in the following amounts: Dr. Belanoff: \$702,000; Mr. Maduck: \$320,000; Mr. Robb: \$320,000; and Dr. Fishman: \$171,672.

**Long-Term Equity Incentive Program.** All of our employees, including our named executive officers, are eligible to receive grants of stock options under our 2012 Incentive Award Plan. We believe that equity ownership is necessary to link executive compensation to the performance of our stock and our sustained growth. We have used stock options as our long-term performance-based equity incentive vehicle, because the Compensation Committee believes that stock options maximize an executive's incentive to increase stockholder value, since there is no financial gain to an executive officer unless our stock price appreciates.

The Compensation Committee typically grants stock options upon a named executive officer joining our company and once per year in connection with its determination of the named executive officer's potential future performance. The Compensation Committee also typically grants stock options following a significant change in job responsibility or in recognition of a significant achievement. The Compensation Committee determines the number of shares underlying each stock option grant based on a number of factors, including the executive officer's salary, such executive officer's contributions to the achievement of our financial and strategic objectives, the value of the stock option at the time of grant, the possible value of the option if we achieve our objectives, and the Compensation Committee's understanding of industry practices and norms. The relative weight given to each of these factors is at the Compensation Committee's discretion. There is no set formula.

To maximize the incentive for continued employment, stock options granted to our named executive officers generally have a four-year vesting schedule, measured from the date of grant. We have occasionally granted stock options that vest based on the attainment of performance goals. Stock option awards generally expire ten years from the date of the grant, which allows the executive to focus on the creation and sustainment of long-term stockholder value and to have a reasonable opportunity to benefit from price appreciation in our shares. The exercise price of such stock options is 100% of the fair market value of our stock on the date of grant.

In February 2017, the Board approved grants of options to our named executive officers to purchase shares of our common stock: 550,000 shares to Dr. Belanoff; 400,000 shares to Mr. Maduck; 200,000 shares to Mr. Robb; and 100,000 shares to Dr. Fishman. These stock option awards vest in substantially equal monthly installments over a four-year period from the grant date, subject to the named executive officer's continued employment through each applicable vesting date. These awards were granted to our named executive officers as an incentive toward their continued service to the company and to further align their interests with the interests of our stockholders. The size of each award was based on the Compensation Committee's and Board's determination of the recipient's ability to contribute to our future success.

#### Severance and Change in Control Arrangements

We entered into Severance and Change in Control Agreements with each of our named executive officers to encourage continued attention and dedication to duties without distraction should there arise the possibility of an change in control of our company and to help ensure a smooth transition should such a change in control occur. The terms of the agreements are identical. For a detailed description of the Severance and Change in Control Agreements, see "Potential Payments Upon Termination or Change in Control – Severance and Change in Control Agreements" below.



## Other Elements of Compensation

Our executives are eligible to receive the following retirement and insurance benefits on the same terms as our other employees. Eligibility for all employees begins on the first day of the month coinciding with or immediately following the first business day of employment. These benefits help us attract and retain talented employees in a competitive employment market, where such benefits are common. Each year, we review the benefits package we offer.

**401(k) Plan.** We have a Section 401(k) Savings/Retirement Plan, or 401(k) Plan, to cover eligible employees of the company and any designated affiliate. The 401(k) Plan permits eligible employees to defer up to 100% of their annual compensation, subject to limitations imposed by the Internal Revenue Code. All contributions are immediately vested and non-forfeitable. We make no matching contributions

**Medical Insurance.** At our sole cost, we provide each eligible employee and his or her spouse and children with health, dental and vision insurance.

**Life and Disability Insurance.** At our sole cost, we provide each eligible employee disability and life insurance.

## Policies with Respect to Equity Compensation Awards

We grant all stock option awards based on the fair market value as of the date of grant. We do not have a policy of granting stock option awards at other than the fair market value of our common stock. The exercise price for each stock option grant is based on the last quoted price per share on the Nasdaq Capital Market on the date of grant. We do not have a policy and do not intend to have a policy or practice to select option grant dates for named executive officers in coordination with the release of material non-public information.

We also have an insider trading policy that prohibits our named executive officers and Board members from engaging in short-term or speculative transactions in our stock, including short sales.

## Summary Compensation Table

The following table provides compensation information for the years ended December 31, 2017, 2016 and 2015 for each of our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus <sup>(1)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	All Other Compensation (\$)	Total (\$)
Joseph K. Belanoff, M.D., Chief Executive Officer and President	2017	647,333	702,000	2,922,119	—	4,271,452
	2016	615,000	444,960	1,382,390	—	2,442,350
	2015	597,670	400,000	1,255,685	—	2,253,355
G. Charles Robb, Chief Financial Officer and Secretary	2017	397,929	320,000	1,062,589	—	1,780,518
	2016	374,685	150,000	377,015	—	901,700
	2015	363,472	146,000	418,562	—	928,034
Sean Maduck, Senior Vice President, Commercial	2017	397,917	320,000	2,036,818	—	2,754,735
Robert S. Fishman, M.D.	2017	427,107	171,672	531,294	—	1,130,073



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Chief Medical Officer	2016	411,363	130,000	234,067	—	775,430
	2015	104,956	40,000	1,258,963	—	1,403,919

<sup>(1)</sup>Bonus amounts for 2015 and 2016 were previously reported based on the year paid and have been updated to reflect the year to which the bonus paid principally related.

(2) Amounts shown do not reflect compensation actually received by the named executive officers or the actual value that may be recognized by the named executive officers with respect to these awards in the future. Amounts reported constitute the grant date fair value of option awards as calculated under FASB ASC Topic 718. The relevant assumptions used to calculate the value of the option awards are set forth in Part IV – Item 15(1) - Financial Statements, Notes to Financial Statements, Note 8 – “Preferred Stock and Stockholders’ Equity – Stock-Based Compensation Related to Employee and Director Options” in our Annual Report on Form 10-K for the year ended December 31, 2017.

Grants of Plan-Based Awards During 2017

The following table summarizes the grants of option awards we made to the named executive officers in 2017.

Name	Grant Date	All Other Option Awards:		
		Number of Securities	Base Price of	Grant Date Fair Value
		Underlying Options <sup>(2)</sup>	Option Awards	Awards <sup>(1)</sup>
		(#)	(\$/Sh)	(\$)
Joseph K. Belanoff, M.D.	2/10/2017	550,000	8.27	2,922,119
G. Charles Robb	2/10/2017	200,000	8.27	1,062,589
Sean Maduck	2/10/2017	400,000		