As filed with the Securities and Exchange Commission on May 14, 2013.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
Under
The Securities Act of 1933

ESPERION THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**2834**	**26-1870780**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

46701 Commerce Center Drive
Plymouth, MI 48170
(734) 862-4840
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Tim M. Mayleben
President and Chief Executive Officer
46701 Commerce Center Drive
Plymouth, MI 48170
(734) 862-4840
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Mitchell S. Bloom, Esq. **Arthur R. McGivern, Esq.** **Goodwin Procter LLP** **Exchange Place** **53 State Street** **Boston, MA 02109** **(617) 570-1000**	**Troy A. Ignelzi** **Vice President—Business Development** **Esperion Therapeutics, Inc.** **46701 Commerce Center Drive** **Plymouth, MI 48170** **(734) 862-4840**	**Bruce K. Dallas, Esq.** **Davis Polk & Wardwell LLP** **1600 El Camino Real** **Menlo Park, CA 94025** **(650) 752-2000**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o	Accelerated Filer o	Non-Accelerated Filer ☒ (Do not check if a smaller reporting company)	Smaller Reporting Company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, par value $0.001 per share	$70,000,000	$9,548.00

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

SUBJECT TO COMPLETION, DATED MAY 14, 2013
PRELIMINARY PROSPECTUS

Shares

Common Stock

This is the initial public offering of shares of common stock of Esperion Therapeutics, Inc. All of the shares of common stock are being sold by Esperion Therapeutics, Inc.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $ and $. We have applied to list our common stock on the NASDAQ Global Market under the symbol "ESPR."

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be subject to reduced public company reporting requirements.

Investing in our common stock involves a high degree of risk. Please read "Risk Factors" beginning on page 9.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to us, before expenses[(1)]	$	$

(1) See "Underwriting" for additional disclosure regarding underwriting commissions and expenses.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional shares of common stock solely to cover over-allotments.

Certain of our existing principal stockholders and their affiliated entities have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of common stock in this offering at the initial public offering price. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering.

Delivery of the shares is expected to be made on or about , 2013.

Credit Suisse **Citigroup**

JMP Securities **Stifel**

The date of this prospectus is , 2013.

TABLE OF CONTENTS

Through and including , 2013 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus or in any free writing prospectus we file with the Securities and Exchange Commission. We and the underwriters have not authorized anyone to provide you with information different from that contained in this prospectus or any free writing prospectus. We and the underwriters are offering to sell, and seeking offers to buy, common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, or other earlier date stated in this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, governmental publications, reports by market research firms or other independent sources. Some data are also based on our good faith estimates.

"Esperion Therapeutics, Inc." is our trademark. Other trademarks or trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent permissible under applicable law, their rights thereto.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case appearing elsewhere in this prospectus. Unless otherwise stated, all references to "us," "our," "Esperion," "we," the "Company" and similar designations refer to Esperion Therapeutics, Inc.

Overview

We are a biopharmaceutical company focused on the research, development and commercialization of therapies for the treatment of patients with elevated levels of low-density lipoprotein cholesterol (LDL-C) and other cardiometabolic risk factors. ETC-1002, our lead product candidate, is a novel, first in class, orally available, once-daily small molecule therapy designed to target known lipid and carbohydrate metabolic pathways to lower levels of LDL-C and to avoid many of the side effects associated with existing LDL-C lowering therapies. To date, we have treated 238 subjects in five completed clinical trials, including two Phase 2a trials. We own the exclusive worldwide rights to ETC-1002.

Our founder, Executive Chairman and Chief Scientific Officer, Roger S. Newton, Ph.D., FAHA, co-discovered the statin marketed as Lipitor® (atorvastatin calcium), the most prescribed LDL-C lowering therapy in the world and the best-selling drug in the history of the pharmaceutical industry. We believe our management team has demonstrated expertise in understanding cholesterol biosynthesis and other related cardiometabolic pathways, the strengths and weaknesses of currently marketed therapies and the ability to recognize the potential of novel cholesterol regulating therapies.

Statins are the current standard of care for LDL-C lowering for approximately 30 million patients in the United States. However, based upon a recent academic survey, we estimate that more than 2 million U.S. adults have discontinued statin therapy because of muscle pain or weakness. We also believe that because symptoms of muscle pain or weakness occur in up to 20% of patients on statin therapy in clinical practice, the size of the statin intolerant market is poised to grow if a novel non-statin therapy becomes available.

We have one ongoing Phase 2a clinical trial evaluating ETC-1002 as an LDL-C lowering agent specifically in patients with a history of intolerance to two or more statins. W expect to initiate a larger Phase 2b clinical trial in this targeted population by the end of 2013 and to report top-line results by the end of 2014. Our completed Phase 2a clinical trials have demonstrated significant average LDL-C reductions as high as 43% and reductions comparable to statins in levels of high sensitivity C-reactive protein, or hsCRP, a key marker of inflammation.

We also intend to advance the development of ETC-1002 as a therapy for the approximately 11 million U.S. patients currently on statin therapy but who are unable to achiev their LDL-C goals. These patients, known as residual risk patients, remain at increased risk for cardiovascular disease. We are currently evaluating the efficacy and interaction of ETC-1002 and a 10 mg dose of atorvastatin calcium in an ongoing Phase 2a clinical trial, and we expect to initiate a larger Phase 2b clinical trial in this patient population by the end of 2013 and to report top-line results by the end of 2014.

ETC-1002

ETC-1002 is a novel, first in class, orally available, once-daily LDL-C lowering small molecule therapy with unique dual mechanisms of action that have the potential to regulate both lipid and

carbohydrate metabolism. ETC-1002 works by inhibiting ATP citrate lyase (ACL) and activating 5'-adenosine monophosphate-activated protein kinase (AMPK). Its regulation of ACL and AMPK is complementary, since both enzymes are known to play significant roles in the synthesis of cholesterol and glucose in the liver. By inhibiting cholesterol synthesis in the liver, ETC-1002 causes the liver to take up LDL particles from the blood, which reduces blood LDL-C levels.

To date, we have studied ETC-1002 in five clinical trials. The results of our completed Phase 2a clinical trials are summarized below.

Patient Population	Reduction in LDL-C from Baseline	p-value
Elevated LDL-C	Up to 27%	<0.0001
Type 2 Diabetes and Elevated LDL-C	Up to 43%	<0.0001

We have also demonstrated significant reductions in hsCRP in our completed clinical trials. Our post hoc analyses have further indicated that ETC-1002 could potentially have a beneficial effect on blood glucose, blood pressure and excess weight. Across all of our completed clinical trials, ETC-1002 has been well-tolerated and not associated with serious side effects. There have been no serious adverse events in ETC-1002 treated patients.

Populations of Interest

Statin Intolerant Market

We are initially pursuing the clinical development of ETC-1002 as a therapy for patients with elevated levels of LDL-C, or hypercholesterolemia, who are statin intolerant. Various studies estimate that more than 50% of patients stop taking statins within one year of initiating treatment. Not surprisingly, poor statin adherence is associated with worse cardiovascular outcomes. Although several reasons are cited for poor adherence, muscle pain or weakness is the most common side effect experienced by statin users and the most common cause for discontinuing therapy.

In addition to the 2 million U.S. adults who have discontinued statin therapy because of muscle pain or weakness, a significant proportion of patients still remain on statin therapy despite these side effects. A study published in the Journal of General Internal Medicine in August 2008 estimated that up to 20% of statin-treated patients in clinical practice complained of muscle pain.

The most prescribed therapies for elevated LDL-C levels other than statins each reported average LDL-C lowering of up to 18% in pivotal clinical trials. We believe these modest LDL-C lowering capacities are often insufficient for most hypercholesterolemic patients to reach their LDL-C goals. We believe these points underscore the need for a safe and efficacious non-statin, oral, once-daily, small molecule LDL-C lowering therapy.

Residual Risk Market

We also intend to continue the development of ETC-1002 as an add-on therapy for hypercholesterolemic patients who are unable to reach their recommended LDL-C goals despite the use of statin therapy. The severity of hypercholesterolemia in these patients, their level of residual cardiovascular disease risk and their therapeutic options all vary widely. Using data from the Centers for Disease Control and Prevention study, "Vital Signs: Prevalence, Treatment, and Control of High Levels of Low-Density Lipoprotein Cholesterol—United States, 1999 - 2002 and 2005 - 2008," we estimate that 70% of the 11 million residual risk patients in the United States, or 7.7 million people, are within 30% of their LDL-C goal. Based upon the clinical results we have observed to date, we

believe that ETC-1002, if approved, could be a preferred therapeutic alternative for patients with residual risk, physicians and payors.

Our Strategy

Our objective is to be a leader in the discovery, development and commercialization of novel therapies for the treatment of patients with hypercholesterolemia and other cardiometabolic risk factors. The core elements of our strategy include:

- ***Rapidly advance the clinical development of ETC-1002 as a novel, first in class, orally available, once-daily, small molecule therapy for hypercholesterolemic patients who are statin intolerant.*** In June 2013, we expect to announce top-line efficacy and safety results from ETC-1002-006, our Phase 2a clinical trial in patients with elevated LDL-C and a history of intolerance to two or more statins. We plan to initiate a Phase 2b clinical trial in approximately 200 statin intolerant patients by the end of 2013 and plan to report its top-line results by the end of 2014.

- ***Demonstrate ETC-1002's potential as an add-on therapy for residual risk patients, those who cannot achieve their LDL-C goals despite the use of statin therapy.*** In the third quarter of 2013, we expect to announce top-line efficacy and safety results from ETC-1002-007, our Phase 2 clinical trial using increasing doses of ETC-1002 as an add-on to a 10 mg dose of atorvastatin calcium. We plan to initiate a Phase 2b clinical trial in approximately 200 residual risk patients by the end of 2013 and plan to report its top-line results by the end of 2014. Residual risk patients in our Phase 2b clinical trial will receive multiple dose strengths of ETC-1002 in tandem with atorvastatin calcium.

- ***Develop ETC-1002 for LDL-C lowering in targeted patient populations, and develop our other product candidates to treat cardiometabolic risk factors in additional patient populations.*** We may initiate additional clinical trials to explore ETC-1002 as a potential therapy for patients with multiple cardiometabolic risk factors, including elevated levels of hsCRP, blood glucose, blood pressure and excess weight.

- ***Leverage the expertise of our experienced team of drug developers that are expert in the development of small molecule and biologic cholesterol regulating therapies.*** Esperion is led by Dr. Roger S. Newton who is joined by an experienced group of pre-clinical and clinical drug developers with prior success in the development of lipid regulating therapies. Our key strengths lie in our understanding of the biology of cholesterol biosynthesis and other complex metabolic pathways and our ability to discover and develop novel therapies to modulate targets in these pathways.

- ***Maintain flexibility in commercializing and maximizing the value of our development programs.*** We may enter into strategic relationships with biotechnology o pharmaceutical companies to realize the full value of ETC-1002 or our other earlier-stage development programs.

Risks Affecting Us

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled "Risk Factors" immediately following this prospectus summar These risks include, but are not limited to, the following:

- We depend almost entirely on the success of one product candidate, ETC-1002, which is still in Phase 2 clinical development. We cannot be certain that we will be able to obtain regulatory approval for, or successfully commercialize, ETC-1002.

- Positive results from Phase 1 and Phase 2 clinical trials of ETC-1002 are not necessarily predictive of the results of our planned Phase 2b and Phase 3 clinical trial of ETC-1002. If we cannot replicate the positive results from our Phase 1 and Phase 2 clinical trials of ETC-1002 in

our Phase 2b and Phase 3 clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize ETC-1002.

- Failures or delays in the commencement or completion of our Phase 2b or pivotal Phase 3 clinical trials of ETC-1002 could result in increased costs to us and coul delay, prevent or limit our ability to generate revenue and continue our business.

- We will need substantial additional capital in the future. If additional capital is not available, we will have to delay, reduce or cease operations.

- We are a development stage biopharmaceutical company with a limited operating history and have not generated any revenue from product sales. We have incurre significant operating losses since our inception, and anticipate that we will incur continued losses for the foreseeable future.

- Changes in regulatory requirements, FDA guidance or unanticipated events during our Phase 2b or Phase 3 clinical trials of ETC-1002 may occur, which may result in changes to clinical trial protocols or additional clinical trial requirements, such as the initiation or completion of a cardiovascular outcomes study, which could result in increased costs to us and could delay our development timeline.

- If we are unable to adequately protect our proprietary technology or maintain issued patents which are sufficient to protect ETC-1002, others could compete again us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.

- Our future success depends on our ability to retain both our founder, Executive Chairman and Chief Scientific Officer and our President and Chief Executive Officer, and to attract, retain and motivate qualified personnel.

- Our executive officers, directors, principal stockholders and their affiliates will continue to exercise significant control over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Our Corporate Information

We were founded in January 2008 by former executives of and investors in the original Esperion Therapeutics, Inc., a biopharmaceutical company, which was primarily focused on the research and development of therapies to regulate high-density lipoprotein cholesterol, or HDL-C. After successfully completing a Phase 2a clinical trial with its synthetic HDL therapy, the original Esperion was acquired by Pfizer Inc. in 2004. ETC-1002 was first discovered at the original Esperion and we subsequently acquired the rights to it from Pfizer in 2008. To date, we have raised approximately $57 million to develop ETC-1002.

Our principal executive offices are located at 46701 Commerce Center Drive, Plymouth, Michigan 48170 and our telephone number is (734) 862-4840. Our website address is *www.esperion.com*. We do not incorporate the information on or accessible through our website into this prospectus, and you should not consider any information on, or that ca be accessed through, our website as part of this prospectus.

The Offering

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares (shares if the underwriters exercise their over-allotment option to purchase additional shares in full)
Underwriters' option to purchase additional shares	We have granted a 30-day option to the underwriters to purchase up to an aggregate of additional shares of common stock to cover over-allotments, if any.
Use of Proceeds	We estimate that we will receive net proceeds from this offering of $ million based upon an assumed initial public offering price of $ per share, the mid-point of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds from this offering t fund the clinical development of ETC-1002 through the completion of our currently anticipated Phase 2b clinical trials and end of Phase 2 meeting with the FDA, as well as for working capital and general corporate purposes, including funding the costs of operating as a public company. We expect to announce top-line results from our latest currently anticipated Phase 2b clinical trial in the fourth quarter of 2014 and t have our end of Phase 2 meeting with the FDA in the first quarter of 2015. See "Use of Proceeds" for additional information.
Risk Factors	You should carefully read "Risk Factors" in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
Proposed NASDAQ Global Market Symbol	"ESPR"

Certain of our existing principal stockholders, , and their affiliated entities, have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of common stock in this offering at the initial public offering price. Based on the initial public offering price of $ per share, the mid-point of the estimated price range set forth on the cover page of this prospectus, these stockholders would purchase an aggregate of up to of the shares in this offering. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering. It is also possible that our existing principal stockholders and their affiliated entities could purchase an amount of shares of common stock that exceeds their expressed interest.

The number of shares of our common stock to be outstanding after this offering is based on 60,021,137 shares of our common stock outstanding as of April 30, 2013 and excludes:

- 5,018,808 shares of common stock issuable upon the exercise of stock options outstanding as of April 30, 2013 at a weighted-average exercise price of $0.31 per share;

- 1,940,000 shares of common stock issuable upon the exercise of warrants outstanding as of April 30, 2013 at an exercise price of $1.00 per share, which warrants prior to the closing of this offering are exercisable to purchase shares of Series A preferred stock;
- shares of common stock reserved for future issuance under our equity incentive plans as of the closing of this offering; and
- shares of common stock issuable to Pfizer Inc. upon conversion of its 8.931% convertible promissory note at the market price thereof at the time of conversion. The Pfizer convertible note had an outstanding balance, including accrued interest, of $7.7 million as of March 31, 2013 and is not convertible until 180 days following the effective date of the registration statement of which this prospectus is a part.

Unless otherwise indicated, all information in this prospectus reflects or assumes the following:

- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, which will occur immediately prior to the closing of this offering;
- the conversion of all of our outstanding shares of preferred stock, including the 17,000,000 shares of Series A preferred stock issued on April 19, 2013, into 57,598,092 shares of common stock upon the closing of this offering;
- no exercise by the underwriters of their option to purchase up to an additional shares of common stock in this offering to cover over-allotments; and
- a 1-for reverse split of our common stock effected on .

Summary Financial Data

The following tables summarize the financial data for our business. You should read this summary financial data together with "Capitalization," "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes, all included elsewhere in this prospectus.

We derived the statements of operations data for the years ended December 31, 2012 and 2011 from our audited financial statements included elsewhere in this prospectus. We derived the statements of operations data for the three months ended March 31, 2013 and 2012 and for the period from inception (January 22, 2008) to March 31, 2013 from our unaudited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of our future results, and results for the three months ended March 31, 2013 are not necessarily indicative of results to be expected for the full year ending December 31, 2013.

	Years Ended December 31,		Three Months Ended March 31,		Period From January 22, 2008 (Inception) through March 31, 2013
	2012	2011	2013	2012	
	(in thousands, except share and per share data)				
Statement of Operations Data:					
Grant income	$ —	$ —	$ —	$ —	$ 244
Operating expenses:					
Research and development	7,998	7,807	2,093	1,557	29,506
General and administrative	2,206	2,357	1,251	633	12,701
Acquired in-process research and development	—	—	—	—	86
Total operating expenses	10,204	10,164	3,344	2,190	42,293
Loss from operations	(10,204)	(10,164)	(3,344)	(2,190)	(42,049)
Total other income (expense)	(1,538)	(653)	(895)	(259)	(4,165)
Net loss	$ (11,742)	$ (10,817)	$ (4,239)	$ (2,449)	$ (46,214)
Per share information:					
Net loss per share, basic and diluted	$ (5.20)		$ (1.75)		
Weighted-average shares outstanding, basic and diluted	2,259,480		2,420,545		
Pro forma net loss per share, basic and diluted (unaudited)(1)	$ (0.45)		$ (0.12)		
Pro forma weighted-average shares outstanding, basic and diluted (unaudited)(1)	26,234,480(2)		35,261,194(3)		

(1) The calculations of the unaudited pro forma net loss per share, basic and diluted, assume the conversion of all of our outstanding shares of convertible preferred stock into shares of our common stock.

(2) Excludes (i) the conversion of the Pfizer convertible note, which had an outstanding balance of $7.5 million as of December 31, 2012, into shares of our common stock at the market price thereof at the time of conversion, (ii) the conversion of the 2012 convertible promissory notes into 16,623,092 shares of Series A preferred stock in February 2013, (iii) the issuance of 17,000,000

shares of Series A preferred stock on April 19, 2013 and (iv) the exercise of warrants to purchase 1,940,000 shares of our Series A preferred stock.

(3) Excludes (i) the conversion of the Pfizer convertible note, which had an outstanding balance, including accrued interest, of $7.7 million as of March 31, 2013, into shares of our common stock at the market price thereof at the time of conversion, (ii) the issuance of 17,000,000 shares of Series A preferred stock on April 19, 2013 and (iii) the exercise of warrants to purchase 1,940,000 shares of our Series A preferred stock.

The table below presents a summary of our balance sheet data as of March 31, 2013:

- on an actual basis;
- on a pro forma basis after giving effect to (i) the conversion of our shares of Series A preferred stock outstanding as of March 31, 2013 into an aggregate of 40,598,092 shares of common stock upon the completion of this offering, (ii) the conversion of our shares of Series A preferred stock issued on April 19, 2013 into an aggregate of 17,000,000 shares of common stock upon completion of this offering and (iii) the receipt of $17.0 million of gross proceeds from the issuance of shares of Series A preferred stock on April 19, 2013.
- on a pro forma as adjusted basis to give further effect to (i) our sale in this offering of shares of common stock at an assumed initial public offering price of $ per share (the mid-point of the range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering.

	As of March 31, 2013		
	Actual	Pro Forma	Pro Forma As Adjusted
		(in thousands)	
Balance Sheet Data:			
Cash and cash equivalents	$ 3,886	$	$
Working capital (deficit)	2,436		
Total assets	5,265		
Total convertible short-term debt	—		
Total convertible long-term debt	7,529		
Convertible preferred stock warrant liability	307		
Convertible preferred stock	40,598		
Deficit accumulated during the development stage	(46,214)		
Total stockholders' deficit	(45,549)		

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the mid-point of the estimated price range shown on the cover page of this prospectus, would increase (decrease), on a pro forma as adjusted basis, the amount of each of cash and cash equivalents, working capital (deficit), total assets and total stockholders' (deficit) equity by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducing estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease), on a pro forma as adjusted basis, the amount of each of cash and cash equivalents, working capital (deficit), total assets and total stockholders' (deficit) equity by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. Any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we do not currently deem material may also impair our business operations.

Risks Related to our Business and the Clinical Development and Commercialization of ETC-1002

We depend almost entirely on the success of one product candidate, ETC-1002, which is still in Phase 2 clinical development. We cannot be certain that we will be able to obtain regulatory approval for, or successfully commercialize, ETC-1002.

We currently have only one product candidate, ETC-1002, in clinical development, and our business depends almost entirely on its successful clinical development, regulatory approval and commercialization. We currently have no drug products for sale and may never be able to develop marketable drug products. ETC-1002, which is currently in Phase 2 clinical trials, will require substantial additional clinical development, testing, and regulatory approval before we are permitted to commence its commercialization. Our other product candidates are still in pre-clinical development stages. None of our product candidates have advanced into a pivotal study, and it may be years before such study is initiated, if ever. The clinical trials of our product candidates are, and the manufacturing and marketing of our product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and, if approved, market any product candidate. Before obtaining regulatory approvals for the commercial sale of any product candidate, we must demonstrate through pre-clinical testing and clinical trials that the product candidate is safe and effective for use in each target indication. This process can take many years and may include post-marketing studies and surveillance, which will require the expenditure of substantial resources beyond the proceeds we raise in this offering. Of the large number of drugs in development in the United States, only a small percentage successfully complete the FDA regulatory approval process and are commercialized. Accordingly, even if we are able to obtain the requisite financing to continue to fund our development and clinical programs, we cannot assure you that ETC-1002 or any other of our product candidates will be successfully developed or commercialized.

We are not permitted to market ETC-1002 in the United States until we receive approval of a New Drug Application, or NDA, from the FDA, or in any foreign countries until we receive the requisite approval from such countries. As a condition to submitting an NDA to the FDA for ETC-1002 regarding its ability to treat patients with hypercholesterolemia, we currently expect to complete two Phase 2b clinical trials, two pivotal Phase 3 clinical trials and one long-term safety study. We have not commenced any of these clinical trials. Obtaining approval of an NDA is a complex, lengthy, expensive and uncertain process, and the FDA may delay, limit or deny approval of ETC-1002 for many reasons, including, among others:

- we may not be able to demonstrate that ETC-1002 is safe and effective in treating hypercholesterolemia to the satisfaction of the FDA;
- the results of our clinical trials may not meet the level of statistical or clinical significance required by the FDA for marketing approval;

- the FDA may disagree with the number, design, size, conduct or implementation of our clinical trials;
- the FDA may require that we conduct additional clinical trials, such as a cardiovascular outcomes study;
- the FDA may not release its partial clinical hold on ETC-1002 to permit us to conduct a clinical trial for more than six months;
- the FDA or the applicable foreign regulatory agency may not approve the formulation, labeling or specifications of ETC-1002;
- the clinical research organization, or CRO, that we retain to conduct our clinical trials may take actions outside of our control that materially adversely impact our clinical trials;
- the FDA may find the data from pre-clinical studies and clinical trials insufficient to demonstrate that ETC-1002's clinical and other benefits outweigh its safety risks;
- the FDA may disagree with our interpretation of data from our pre-clinical studies and clinical trials;
- the FDA may not accept data generated at our clinical trial sites;
- if our NDA, if and when submitted, is reviewed by an advisory committee, the FDA may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our application or may recommend that the FDA require, as a condition of approval, additional pre-clinical studies or clinical trials, limitations on approved labeling or distribution and use restrictions;
- the FDA may require development of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval or post-approval;
- the FDA or the applicable foreign regulatory agency may not approve the manufacturing processes or facilities of third-party manufacturers with which we contract; or
- the FDA may change its approval policies or adopt new regulations.

Any of these factors, many of which are beyond our control, could jeopardize our ability to obtain regulatory approval for and successfully market ETC-1002. Moreover, because our business is almost entirely dependent upon this one product candidate, any such setback in our pursuit of regulatory approval would have a material adverse effect on our business and prospects.

Failures or delays in the commencement or completion of our Phase 2b or pivotal Phase 3 clinical trials of ETC-1002 could result in increased costs to us and could delay, prevent or limit our ability to generate revenue and continue our business.

We have not commenced our Phase 2b or pivotal Phase 3 clinical trials. Successful completion of such clinical trials is a prerequisite to submitting an NDA to the FDA and, consequently, the ultimate approval and commercial marketing of ETC-1002. We do not know whether our Phase 2b or pivotal Phase 3 clinical trials will begin or be completed on schedule, if at all, as the commencement and completion of clinical trials can be delayed or prevented for a number of reasons, including, among others:

- the FDA may deny permission to proceed with Phase 3 clinical trials, including by not releasing its partial clinical hold on ETC-1002 to permit us to conduct a clinical trial for more than six months, or may place a clinical trial on hold;

- delays in reaching or failing to reach agreement on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- inadequate quantity or quality of a product candidate or other materials necessary to conduct clinical trials;
- difficulties obtaining institutional review board, or IRB, approval to conduct a clinical trial at a prospective site or sites;
- challenges in recruiting and enrolling patients to participate in clinical trials or in a cardiovascular outcomes study, if one were to be required, including the size and nature of the patient population, the proximity of patients to clinical sites, eligibility criteria for the clinical trial, the nature of the clinical trial protocol, the availability of approved effective treatments for the relevant disease and competition from other clinical trial programs for similar indications;
- severe or unexpected drug-related side effects experienced by patients in a clinical trial, including instances of muscle pain or weakness or other side effects previously identified in our completed clinical trials;
- reports from pre-clinical or clinical testing of other cardiometabolic therapies that raise safety or efficacy concerns; and
- difficulties retaining patients who have enrolled in a clinical trial but may be prone to withdraw due to rigors of the trials, lack of efficacy, side effects, personal issues or loss of interest.

Clinical trials may also be delayed or terminated as a result of ambiguous or negative interim results. In addition, a clinical trial may be suspended or terminated by us, the FDA, the IRBs at the sites where the IRBs are overseeing a clinical trial, a data safety monitoring board, or DSMB, overseeing the clinical trial at issue or other regulatory authorities due to a number of factors, including, among others:

- failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities that reveals deficiencies or violations that require us to undertake corrective action, including the imposition of a clinical hold;
- unforeseen safety issues, including any that could be identified in our ongoing pre-clinical carcinogenicity studies, adverse side effects or lack of effectiveness;
- changes in government regulations or administrative actions;
- problems with clinical supply materials; and
- lack of adequate funding to continue the clinical trial.

Positive results from Phase 1 and Phase 2 clinical trials of ETC-1002 are not necessarily predictive of the results of our planned Phase 2b and Phase 3 clinical trials of ETC-1002. If we cannot replicate the positive results from our Phase 1 and Phase 2 clinical trials of ETC-1002 in our Phase 2b and Phase 3 clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize ETC-1002.

Positive results from ETC-1002-006, our Phase 2a clinical trial, may not necessarily be predictive of the results from ETC-1002-007, our other ongoing Phase 2a clinical trial for which we expect to announce top-line efficacy and safety results in the third quarter of 2013. Similarly, even if we are able to complete our planned Phase 2b and pivotal Phase 3 clinical trials of ETC-1002 according to our current development timeline, the positive results from our Phase 1 and Phase 2 clinical trials of

ETC-1002 may not be replicated in our Phase 2b or pivotal Phase 3 clinical trial results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, pre-clinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Our Phase 2b clinical trials will evaluate the safety and efficacy of ETC-1002 in statin-intolerant patients and as an add-on to existing statin treatments for patients with residual risk. We expect that our Phase 3 clinical trials will evaluate the safety and efficacy of ETC-1002 in these same patient populations. Nevertheless, the results from our Phase 2a clinical trials for ETC-1002 may not be predictive of the results we may obtain in our Phase 2b or Phase 3 clinical trials of ETC-1002. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials nonetheless failed to obtain FDA approval. If we fail to produce positive results in our Phase 2b and Phase 3 clinical trials of ETC-1002, the development timeline and regulatory approval and commercialization prospects for our leading product candidate, and, correspondingly, our business and financial prospects, would be materially adversely affected.

We may need substantial additional capital in the future. If additional capital is not available, we will have to delay, reduce or cease operations.

Although we believe that the net proceeds from this offering will be sufficient to fund our operations through the completion of our currently anticipated Phase 2b clinical trials and end of Phase 2 meeting with the FDA, we will likely need to raise additional capital thereafter to continue to fund the further development of ETC-1002 and our operations. We expect to announce top-line results from our latest currently anticipated Phase 2b clinical trial in the fourth quarter of 2014 and to have our end of Phase 2 meeting with the FDA in the first quarter of 2015. Our future capital requirements may be substantial and will depend on many factors including:

- the scope, size, rate of progress, results and costs of initiating and completing our Phase 2b clinical trials of ETC-1002, for which we currently estimate that we will use substantially all of the net proceeds from this offering;
- the scope, size, rate of progress, results and costs of initiating and completing our Phase 3 clinical program of ETC-1002, which currently includes two pivotal Phase 3 clinical trials and one long-term safety study, for which we only plan on using net proceeds from this offering to the extent they are available;
- the cost, timing and outcome of our efforts to obtain marketing approval for ETC-1002 in the United States, including to fund the preparation and filing of an NDA with the FDA for ETC-1002 and to satisfy related FDA requirements;
- the number and characteristics of any additional product candidates we develop or acquire;
- the costs associated with commercializing ETC-1002 or any future product candidates if we receive marketing approval, including the cost and timing of developing sales and marketing capabilities or entering into strategic collaborations to market and sell ETC-1002 or any future product candidates;
- the cost of manufacturing ETC-1002 or any future product candidates and any products we successfully commercialize; and
- the costs associated with general corporate activities, such as the cost of filing, prosecuting and enforcing patent claims.

Changing circumstances may cause us to consume capital significantly faster than we currently anticipate. Because the outcome of any clinical trial is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development, regulatory approval and commercialization of ETC-1002 and any future product candidates. Additional financing may not be available when we need it or may not be available on terms that are favorable to us. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. If adequate funds are unavailable to us on a timely basis, or at all, we may not be able to continue the development of ETC-1002 or any future product candidate, or to commercialize ETC-1002 or any future product candidate, if approved, unless we find a partner.

We are a development stage biopharmaceutical company with a limited operating history and have not generated any revenue from product sales. We have incurred significant operating losses since our inception, and anticipate that we will incur continued losses for the foreseeable future.

We are a development stage company with a limited operating history on which to base your investment decision. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We were incorporated in January 2008. Our operations to date have been limited primarily to organizing and staffing our company and conducting research and development activities for ETC-1002. We have never generated any revenue from product sales. We have not obtained regulatory approvals for any of our product candidates. As such, we are subject to all the risks described in this prospectus incident to the development, regulatory approval and commercialization of new pharmaceutical products and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors.

Since our inception, we have focused substantially all of our efforts and financial resources on developing ETC-1002, which is currently in Phase 2 clinical development. We have funded our operations to date through proceeds from sales of preferred stock and convertible debt and have incurred losses in each year since our inception. Our net losses were $4.2 million for the three months ended March 31, 2013, $11.7 million for the year ended December 31, 2012 and $10.8 million for the year ended December 31, 2011. As of March 31, 2013, we had an accumulated deficit of $46.2 million. Substantially all of our operating losses resulted from costs incurred in connection with our development program and from general and administrative costs associated with our operations. We expect to incur increasing levels of operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our stockholders' equity and working capital. We expect our research and development expenses to significantly increase in connection with our additional clinical trials of ETC-1002 and development of any other product candidates we may choose to pursue. In addition, if we obtain marketing approval for ETC-1002, we will incur significant sales, marketing and outsourced manufacturing expenses. Once we are a public company, we will incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Changes in regulatory requirements, FDA guidance or unanticipated events during our Phase 2b or Phase 3 clinical trials of ETC-1002 may occur, which may result in changes to clinical trial protocols or additional clinical trial requirements, such as the initiation or completion of a cardiovascular outcomes study, which could result in increased costs to us and could delay our development timeline.

Changes in regulatory requirements, FDA guidance or unanticipated events during our clinical trials may force us to amend clinical trial protocols or the FDA may impose additional clinical trial requirements. Amendments to our clinical trial protocols would require resubmission to the FDA and IRBs for review and approval, which may adversely impact the cost, timing or successful completion of a clinical trial. If we experience delays completing—or if we terminate—any of our Phase 2b or Phase 3 clinical trials, or if we are required to conduct additional clinical trials, such as a cardiovascular outcomes study, the commercial prospects for ETC-1002 may be harmed and our ability to generate product revenue will be delayed. If the FDA requires us to conduct a cardiovascular outcomes study, we may not be able to identify and enroll the requisite number of patients in that study. Even if we are successful in enrolling patients in a cardiovascular outcomes study, we may not ultimately be able to demonstrate that lowering LDL-C levels using ETC-1002 provides patients with an incremental lowering of cardiovascular disease risks and our failure to do so may delay or prejudice our ability to obtain FDA approval for ETC-1002. Our current development timeline for ETC-1002 does not contemplate the completion of a cardiovascular outcomes study. Any such study, if required, would be costly and time-consuming and, regardless of the outcome, would adversely affect our development timeline and financial condition.

Even if we receive marketing approval for ETC-1002, we may still face future development and regulatory difficulties.

Even if we receive marketing approval for ETC-1002, regulatory authorities may still impose significant restrictions on ETC-1002's indicated uses or marketing or impose ongoing requirements for potentially costly post-approval studies, such as a cardiovascular outcomes study. ETC-1002 will also be subject to ongoing FDA requirements governing the labeling, packaging, storage and promotion of the product and recordkeeping and submission of safety and other post-market information. The FDA has significant post-market authority, including, for example, the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate serious safety risks related to the use of a drug. The FDA also has the authority to require, as part of an NDA or post-approval, the submission of a REMS. Any REMS required by the FDA may lead to increased costs to assure compliance with new post-approval regulatory requirements and potential requirements or restrictions on the sale of approved products, all of which could lead to lower sales volume and revenue.

Manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current Good Manufacturing Practices and other regulations. If we or a regulatory agency discover problems with ETC-1002, such as adverse events of unanticipated severity or frequency, or problems with the facility where ETC-1002 is manufactured, a regulatory agency may impose restrictions on ETC-1002, the manufacturer or us, including requiring withdrawal of ETC-1002 from the market or suspension of manufacturing. If we, ETC-1002 or the manufacturing facilities for ETC-1002 fail to comply with applicable regulatory requirements, a regulatory agency may, among other things:

- issue warning letters or untitled letters;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw marketing approval;
- suspend any ongoing clinical trials;

- refuse to approve pending applications or supplements to applications submitted by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or request that we initiate a product recall.

Even if we receive marketing approval for ETC-1002 in the United States, we may never receive regulatory approval to market ETC-1002 outside of the United States.

We have not yet selected any markets outside of the United States where we intend to seek regulatory approval to market ETC-1002. In order to market any product outside of the United States, however, we must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other countries. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ from that required to obtain FDA approval. The marketing approval processes in other countries may implicate all of the risks detailed above regarding FDA approval in the United States as well as other risks. In particular, in many countries outside of the United States, products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others. Failure to obtain marketing approval in other countries or any delay or other setback in obtaining such approval would impair our ability to market ETC-1002 in such foreign markets. Any such impairment would reduce the size of our potential market, which could have a material adverse impact on our business, results of operations and prospects.

Even if we receive marketing approval for ETC-1002, it may not achieve broad market acceptance, which would limit the revenue that we generate from its sales.

The commercial success of ETC-1002, if approved by the FDA or other regulatory authorities, will depend upon the awareness and acceptance of ETC-1002 among the medical community, including physicians, patients and healthcare payors. Market acceptance of ETC-1002, if approved, will depend on a number of factors, including, among others:

- ETC-1002's demonstrated ability to treat statin intolerant patients with hypercholesterolemia and, if required by any applicable regulatory authority in connection with the approval for this or any other indication, to provide patients with incremental cardiovascular disease benefits, as compared with other available therapies;
- the relative convenience and ease of administration of ETC-1002, including as compared with other treatments for patients with hypercholesterolemia;
- the prevalence and severity of any adverse side effects such as muscle pain or weakness;
- limitations or warnings contained in the labeling approved for ETC-1002 by the FDA;
- availability of alternative treatments, including a number of competitive LDL-C lowering therapies already approved or expected to be commercially launched in the near future;
- pricing and cost effectiveness;
- the effectiveness of our sales and marketing strategies;
- our ability to increase awareness of ETC-1002 through marketing efforts;

- our ability to obtain sufficient third-party coverage or reimbursement; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If ETC-1002 is approved but does not achieve an adequate level of acceptance by patients, physicians and payors, we may not generate sufficient revenue from ETC-1002 to become or remain profitable. Before granting reimbursement approval, healthcare payors may require us to demonstrate that, in addition to lowering elevated LDL-C levels, ETC-1002 also provides incremental cardiovascular disease benefits to patients. Our efforts to educate the medical community and third-party payors about the benefits of ETC-1002 may require significant resources and may never be successful.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell ETC-1002, we may not be able to generate any revenue.

We do not currently have an infrastructure for the sales, marketing and distribution of pharmaceutical products. In order to market ETC-1002, if approved by the FDA or any other regulatory body, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, or if we are unable to do so on commercially reasonable terms, our business, results of operations, financial condition and prospects will be materially adversely affected.

Even if we obtain marketing approval for ETC-1002, physicians and patients using other LDL-C lowering therapies may choose not to switch to our product.

Physicians are often reluctant to switch their patients from existing therapies even when new and potentially more effective or convenient treatments enter the market. In addition, patients often acclimate to the brand or type of therapy that they are currently taking and do not want to switch unless their physicians recommend switching products or they are required to switch therapies due to lack of reimbursement for existing therapies. If physicians or patients are reluctant to switch from existing therapies to ETC-1002, if approved, our operating results and financial condition would be materially adversely affected.

Guidelines and recommendations published by various organizations may adversely affect the use or commercial viability of ETC-1002, if approved.

Government agencies issue regulations and guidelines directly applicable to us and to ETC-1002, including guidelines generally relating to therapeutically significant LDL-C levels. In addition, professional societies, practice management groups, private health or science foundations and other organizations involved in the research, treatment and prevention of various diseases from time to time publish guidelines or recommendations to the medical and patient communities. These various sorts of recommendations may relate to such matters as product usage and use of related or competing therapies. For example, organizations such as the American Heart Association have made recommendations about therapies in the cardiovascular therapeutics market. Changes to these existing recommendations or other guidelines advocating alternative therapies could result in decreased use of ETC-1002, if approved, which would adversely affect our results of operations.

Even if approved, reimbursement policies could limit our ability to sell ETC-1002.

Market acceptance and sales of ETC-1002 will depend on reimbursement policies and may be affected by healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels for those medications. Cost containment is a primary concern in the U.S. healthcare industry and elsewhere. Government authorities and these third-party payors have

attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that reimbursement will be available for ETC-1002 and, if reimbursement is available, the level of such reimbursement. Reimbursement may impact the demand for, or the price of, ETC-1002. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize ETC-1002.

In some foreign countries, particularly in Canada and European countries, the pricing of prescription pharmaceuticals is subject to strict governmental control. In these countries, pricing negotiations with governmental authorities can take six to 12 months or longer after the receipt of regulatory approval and product launch. To obtain favorable reimbursement for the indications sought or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of ETC-1002 with other available therapies. If reimbursement for ETC-1002 is unavailable in any country in which we seek reimbursement, if it is limited in scope or amount, if it is conditioned upon our completion of additional clinical trials, or if pricing is set at unsatisfactory levels, our operating results could be materially adversely affected.

Our product development programs for candidates other than ETC-1002 may require substantial financial resources and may ultimately be unsuccessful.

In addition to the development of ETC-1002, we may pursue development of our other two early-stage development programs. Neither of our other potential product candidates has commenced any clinical trials, and there are a number of FDA requirements that we must satisfy before we can commence clinical trials. Satisfaction of these requirements will entail substantial time, effort and financial resources. We may never satisfy these requirements. Any time, effort and financial resources we expend on our other two early-stage development programs may adversely affect our ability to continue development and commercialization of ETC-1002, and we may never commence clinical trials of such development programs despite expending significant resources in pursuit of their development. If we do commence clinical trials of our other potential product candidates, such product candidates may never be approved by the FDA.

Recent federal legislation will increase pressure to reduce prices of pharmaceutical products paid for by Medicare, which could materially adversely affect our revenue, if any, and our results of operations.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, also called the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. As a result of this legislation and the expansion of federal coverage of drug products, we expect that there will be additional pressure to reduce costs. These cost reduction initiatives and other provisions of this legislation could decrease the scope of coverage and the price that we receive for any approved products and could seriously harm our business. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policies and payment limitations in setting their own reimbursement rates, and any reduction in reimbursement that results from the MMA may cause a similar reduction in payments from private payors. This legislation may pose an even greater risk to ETC-1002 than some other pharmaceutical products because a significant portion of the target patient population for ETC-1002 would likely be over 65 years of age and, therefore, many such patients will be covered by Medicare.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively, the PPACA, became law in the United States. The goal of the PPACA is to reduce the cost of healthcare and substantially change the way healthcare is financed by both governmental and private insurers. While we cannot predict what

impact on federal reimbursement policies this legislation will have in general or on our business specifically, the PPACA may result in downward pressure on pharmaceutical reimbursement, which could negatively affect market acceptance of ETC-1002, if approved, or any of our future products. In 2012, members of the U.S. Congress and some state legislatures sought to overturn certain provisions of the PPACA including those concerning the mandatory purchase of insurance. However, on June 28, 2012, the United States Supreme Court upheld the constitutionality of these provisions. Members of the U.S. Congress have since proposed a number of legislative initiatives, including possible repeal of the PPACA. We cannot predict the outcome or impact of current proposals or whether new proposals will be made or adopted, when they may be adopted or what impact they may have on us if they are adopted.

Finally, the availability of generic LDL-C lowering treatments may also substantially reduce the likelihood of reimbursement for branded counterparts or other competitive LDL-C lowering therapies, such as ETC-1002 if it is approved for commercial distribution. If we fail to successfully secure and maintain reimbursement coverage for our products or are significantly delayed in doing so, we will have difficulty achieving market acceptance of our products and our business will be harmed.

Recent federal legislation and actions by state and local governments may permit reimportation of drugs from foreign countries into the United States, including foreign countries where the drugs are sold at lower prices than in the United States, which could materially adversely affect our operating results.

We may face competition for ETC-1002, if approved, from cheaper LDL-C lowering therapies sourced from foreign countries that have placed price controls on pharmaceutical products. The MMA contains provisions that may change U.S. importation laws and expand pharmacists' and wholesalers' ability to import cheaper versions of an approved drug and competing products from Canada, where there are government price controls. These changes to U.S. importation laws will not take effect unless and until the Secretary of Health and Human Services certifies that the changes will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of products to consumers. The Secretary of Health and Human Services has so far declined to approve a reimportation plan. Proponents of drug reimportation may attempt to pass legislation that would directly allow reimportation under certain circumstances. Legislation or regulations allowing the reimportation of drugs, if enacted, could decrease the price we receive for any products that we may develop, including ETC-1002, and adversely affect our future revenues and prospects for profitability.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. If we are found to have improperly promoted off-label uses, we may become subject to significant liability.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products, such as ETC-1002 if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. If we receive marketing approval for ETC-1002 as a therapy for lowering LDL-C levels in statin intolerant patients with hypercholesterolemia, the first indication we intend to pursue, physicians may nevertheless prescribe ETC-1002 to their patients in a manner that is inconsistent with the approved label, potentially including as a therapy in addition to statins. If we are found to have promoted such off-label uses, we may become subject to significant liability. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of ETC-1002, if approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

Our market is subject to intense competition. If we are unable to compete effectively, our opportunity to generate revenue from the sale of ETC-1002, if approved, will be materially adversely affected.

The LDL-C lowering therapies market is highly competitive and dynamic and dominated by the sale of statin treatments, including the cheaper generic versions of statins. We estimate that the total statin monotherapy and fixed combination market, including generic drugs, accounted for 69% of U.S. sales in the LDL-C lowering market in 2012. Our success will depend, in part, on our ability to obtain a share of the market, initially, for patients who are statin intolerant. Potential competitors in North America, Europe and elsewhere include major pharmaceutical companies, specialty pharmaceutical companies, biotechnology firms, universities and other research institutions and government agencies. Other pharmaceutical companies may develop LDL-C lowering therapies for statin intolerant patients that compete with ETC-1002, if approved, that do not infringe the claims of our patents, pending patent applications or other proprietary rights, which could materially adversely affect our business and results of operations.

Low-density lipoprotein cholesterol (LDL-C) lowering therapies currently on the market that would compete with ETC-1002 include the following:

- Statins, such as Crestor® (rosuvastatin) and Lipitor, including their cheaper generic versions;
- Cholesterol absorption inhibitors, such as Zetia® (ezetimibe), a monotherapy marketed by Merck & Co., and Welchol® (colesevelam), a bile acid sequestrant marketed by Daiichi Sankyo Inc.;
- MTP inhibitors, such as JUXTAPID® (lomitapide), marketed by Aegerion Pharmaceuticals, Inc.;
- Apo B Anti-Senses, such as KYNAMRO® (mipomersen), marketed by Genzyme Corp.;
- Combination therapies, such as Vytorin® (ezetimibe and simvastatin), marketed by Merck & Co., Inc.; and
- Other lipid-lowering monotherapies, such as Tricor® (fenofibrate) and Niaspan® (niacin extended release), and combination therapies, such as Advicor® (niacin extended release and lovastatin) and Simcor® (niacin and simvastatin), both of which are marketed by AbbVie, Inc.

Several other pharmaceutical companies have other LDL-C lowering therapies in development that may be approved for marketing in the United States or outside of the United States. Based on publicly available information, we believe the current therapies in development that would compete with ETC-1002 include:

- PCSK9 inhibitors, such as SAR236553/REGN727, a therapy in Phase 3 development being developed by Sanofi and Regeneron Pharmaceuticals, Inc., and AMG-145, a separate therapy in Phase 3 development being developed by Amgen Inc.; and
- CETP inhibitors, such as MK-0859, a therapy that has completed a Phase IIb clinical trial and is being developed by Merck, and LY2484595, a therapy that is being developed by Eli Lilly & Company.

Many of our potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience discovering and developing drug candidates, obtaining FDA and other marketing approvals of products and commercializing those products. Accordingly, our competitors may be more successful than we may be in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective, or more effectively marketed and sold, than ETC-1002, if approved, and may render ETC-1002 obsolete or non-competitive before we can recover the expenses of developing and commercializing it. If approved, ETC-1002 may also compete with unapproved and off-label LDL-C lowering treatments, and following the expiration of additional patents covering the LDL-C lowering market, we may also face

additional competition from the entry of new generic drugs. We anticipate that we will encounter intense and increasing competition as new drugs enter the market and advanced technologies become available. See "Business" in this prospectus for more information regarding these competitive products.

We face potential product liability exposure, and, if claims are brought against us, we may incur substantial liability.

The use of ETC-1002 in clinical trials and the sale of ETC-1002, if approved, exposes us to the risk of product liability claims. Product liability claims might be brought against us by patients, healthcare providers or others selling or otherwise coming into contact with ETC-1002. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in, among other things:

- withdrawal of patients from our clinical trials;
- substantial monetary awards to patients or other claimants;
- decreased demand for ETC-1002 or any future product candidates following marketing approval, if obtained;
- damage to our reputation and exposure to adverse publicity;
- increased FDA warnings on product labels;
- litigation costs;
- distraction of management's attention from our primary business;
- loss of revenue; and
- the inability to successfully commercialize ETC-1002 or any future product candidates, if approved.

We maintain product liability insurance coverage for our clinical trials with a $2 million annual aggregate coverage limit. Nevertheless, our insurance coverage may be insufficient to reimburse us for any expenses or losses we may suffer. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses, including if insurance coverage becomes increasingly expensive. If and when we obtain marketing approval for ETC-1002, we intend to expand our insurance coverage to include the sale of commercial products; however, we may not be able to obtain this product liability insurance on commercially reasonable terms. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial, particularly in light of the size of our business and financial resources. A product liability claim or series of claims brought against us could cause our stock price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our financial condition, business and prospects could be materially adversely affected.

We are subject to healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others will play a primary role in the recommendation and prescription of ETC-1002, if approved. Our future arrangements with third-party payors will expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute ETC-1002, if we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid.

- The federal False Claims Act imposes criminal and civil penalties, including those from civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease, or conceal an obligation to pay money to the federal government.

- The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information.

- The federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.

- The federal transparency requirements under the PPACA require manufacturers of drugs, devices, biologics, and medical supplies to report to the Department of Health and Human Services information related to physician payments and other transfers of value and physician ownership and investment interests.

- Analogous state laws and regulations, such as state anti-kickback and false claims laws and transparency laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures and drug pricing.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations, including anticipated activities to be conducted by our sales team, were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines and exclusion from government funded healthcare programs, such as Medicare and Medicaid, any of which could substantially disrupt our operations. If any of the physicians or other providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Our internal computer systems, or those of our third-party clinical research organizations or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our ETC-1002 development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party clinical research organizations and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, and telecommunication and electrical failures. While we have not experienced any such system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of clinical trial data for ETC-1002 could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of ETC-1002 could be delayed.

Risks Related to our Intellectual Property

If we are unable to adequately protect our proprietary technology or maintain issued patents which are sufficient to protect ETC-1002, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.

Our commercial success will depend in part on our success obtaining and maintaining issued patents and other intellectual property rights in the United States and elsewhere and protecting our proprietary technology. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

As of April 30, 2013, Esperion's patent estate, including patents we own or license from third parties, on a worldwide basis, included approximately 15 issued United States patents and 6 pending United States patent applications and 6 issued patents and 25 pending patent applications in other foreign jurisdictions. Of our worldwide patents and pending applications, only a subset relates to our small molecule program which includes our lead product candidate, ETC-1002. ETC-1002 is claimed in U.S. Patent No. 7,335,799 that is scheduled to expire in December 2025, which includes 711 days of patent term adjustment, and may be eligible for a patent term extension period of up to 5 years. At least one pending United States patent application claims a method of treatment using ETC-1002. There are currently three issued patents and four pending applications in countries outside the United States that relate to ETC-1002.

A second subset of this portfolio relates to our early-stage product candidate ESP41091. ESP41091 is claimed in U.S. Patent Nos. 7,119,221 and 7,405,226. Various methods of treatment using ESP41091 are claimed in U.S. Patent Nos. 8,153,690 and 8,309,604 and in at least one other pending application in the United States. There are currently two issued patents and four pending applications in countries outside the United States that relate to ESP41091.

Our 4WF patent portfolio currently consists of 19 issued patents and pending patent applications in the United States and other foreign jurisdictions regarding apolipoprotein mixtures, dimeric oxidation-resistant apolipoprotein variants and oxidant resistant apolipoprotein A1 variants and mimetic peptides thereof.

We cannot assure you that any of our patents have, or that any of our pending patent applications will mature into issued patents that will include, claims with a scope sufficient to protect ETC-1002 or our other product candidates. Others have developed technologies that may be related or competitive to our approach, and may have filed or may file patent applications and may have received or may

receive patents that may overlap or conflict with our patent applications, either by claiming the same methods or formulations or by claiming subject matter that could dominate our patent position. The patent positions of biotechnology and pharmaceutical companies, including our patent position, involve complex legal and factual questions, and, therefore, the issuance, scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Patents, if issued, may be challenged, deemed unenforceable, invalidated, or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, *ex parte* reexamination, or *inter partes* review proceedings, supplemental examination and challenges in district court. Patents may be subjected to opposition, post-grant review, or comparable proceedings lodged in various national and regional patent offices. These proceedings could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, re-examination, opposition, post-grant review, *inter partes* review, supplemental examination or revocation proceedings may be costly. Thus, any patents that we may own or exclusively license may not provide any protection against competitors. Furthermore, an adverse decision in an interference proceeding can result in a third-party receiving the patent right sought by us, which in turn could affect our ability to develop, market or otherwise commercialize ETC-1002.

Furthermore, the issuance of a patent, while presumed valid and enforceable, is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Competitors may also be able to design around our patents. Other parties may develop and obtain patent protection for more effective technologies, designs or methods. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, vendors, former employees and current employees. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries. If these developments were to occur, they could have a material adverse effect on our sales.

Our ability to enforce our patent rights depends on our ability to detect infringement. It is difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. Any litigation to enforce or defend our patent rights, if any, even if we were to prevail, could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

In addition, proceedings to enforce or defend our patents could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If, in any proceeding, a court invalidated or found unenforceable our patents covering ETC-1002, our financial position and results of operations would be materially and adversely impacted. In addition, if a court found that valid, enforceable patents held by third parties covered ETC-1002, our financial position and results of operations would also be materially and adversely impacted.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, will include claims having a scope sufficient to protect ETC-1002;
- any of our pending patent applications will result in issued patents;
- we will be able to successfully commercialize ETC-1002, if approved, before our relevant patents expire;

- we were the first to make the inventions covered by each of our patents and pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe our patents;
- any of our patents will be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are separately patentable; or
- that our commercial activities or products will not infringe upon the patents of others.

We rely upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with our employees and our collaborators and consultants. We also have agreements with our employees and selected consultants that obligate them to assign their inventions to us. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets through such breaches or violations. Further, our trade secrets could otherwise become known or be independently discovered by our competitors.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, contract manufacturers, vendors and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, we cannot guarantee that we have executed these agreements with each party that may have or have had access to our trade secrets.

Moreover, because we acquired certain rights to our lead product candidate from Pfizer, we must rely on Pfizer's practices, and those of its predecessors, with regard to parties that may have had access to our trade secrets related thereto before our incorporation. Any party with whom we or they have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they disclose such trade secrets, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third-party, our competitive position would be harmed.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing ETC-1002, if approved.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business, products and methods do not or will not infringe the patents or other intellectual property rights of third parties.

The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that ETC-1002 or the use of our technologies infringes patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorney's fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing ETC-1002.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease developing, selling or otherwise commercializing ETC-1002;
- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and
- redesign, or rename in the case of trademark claims, ETC-1002 to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

The United States has recently enacted and is currently implementing the America Invents Act of 2011, wide-ranging patent reform legislation. The United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the United States Patent and Trademark Office, or the U.S. PTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The U.S. PTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

We could become dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing ETC-1002 or our other product candidates, if approved.

In the future, we may enter into license(s) to third-party intellectual property that are necessary or useful to our business. Such license agreement(s) will likely impose various obligations upon us, and our licensor(s) have or may have the right to terminate the license thereunder in the event of a material breach or, in some cases, at will. Future licensor(s) may allege that we have breached our license agreement with them or decide to terminate our license at will, and accordingly seek to terminate our license. If successful, this could result in our loss of the right to use the licensed intellectual property, which could materially adversely affect our ability to develop and commercialize a product candidate or product, if approved, as well as harm our competitive business position and our business prospects.

We do not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may

be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Our employees have been previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we are not aware of any claims currently pending against us, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of the former employers of our employees. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail in defending such claims, in addition to paying money claims, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize ETC-1002, which would materially adversely affect our commercial development efforts.

Risks Related to our Dependence on Third Parties

We will be unable to directly control all aspects of our clinical trials due to our reliance on CROs and other third parties that assist us in conducting clinical trials.

We will rely on CROs to conduct our Phase 2b and Phase 3 clinical trials for ETC-1002. As a result, we will have less direct control over the conduct, timing and completion of these clinical trials and the management of data developed through the clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical trials and may subject us to unexpected cost increases that are beyond our control.

Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practices, for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements.

Problems with the timeliness or quality of the work of any CRO may lead us to seek to terminate our relationship with any such CRO and use an alternative service provider. Making this change may be costly and may delay our clinical trials, and contractual restrictions may make such a change difficult or impossible to effect. If we must replace any CRO that is conducting our clinical trials, our clinical trials may have to be suspended until we find another CRO that offers comparable services. The time that it takes us to find alternative organizations may cause a delay in the commercialization of ETC-1002 or may cause us to incur significant expenses to replicate data that may be lost. Although we do not believe that any CRO on which we may rely will offer services that are not available elsewhere, it may be difficult to find a replacement organization that can conduct our clinical trials in an

acceptable manner and at an acceptable cost. Any delay in or inability to complete our clinical trials could significantly compromise our ability to secure regulatory approval of ETC-1002 and preclude our ability to commercialize ETC-1002, thereby limiting or preventing our ability to generate revenue from its sales.

We rely completely on third-party suppliers to manufacture our clinical drug supplies for ETC-1002, and we intend to rely on third parties to produce commercial supplies of ETC-1002 and pre-clinical, clinical and commercial supplies of any future product candidate.

We do not currently have, nor do we plan to acquire, the infrastructure or capability to internally manufacture our clinical drug supply of ETC-1002, or any future product candidates, for use in the conduct of our pre-clinical studies and clinical trials, and we lack the internal resources and the capability to manufacture any product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers to manufacture the active pharmaceutical ingredient and final drug for ETC-1002, or any future product candidates, must be approved by the FDA and other comparable foreign regulatory agencies pursuant to inspections that would be conducted after we submit our NDA or relevant foreign regulatory submission to the applicable regulatory agency.

We do not control the manufacturing process of, and are completely dependent on, our contract manufacturers to comply with current Good Manufacturing Practices for manufacture of both active drug substances and finished drug products. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or applicable foreign regulatory agencies, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel. Furthermore, all of our contract manufacturers are engaged with other companies to supply and/or manufacture materials or products for such companies, which exposes our manufacturers to regulatory risks for the production of such materials and products. As a result, failure to satisfy the regulatory requirements for the production of those materials and products may affect the regulatory clearance of our contract manufacturers' facilities generally. If the FDA or a comparable foreign regulatory agency does not approve these facilities for the manufacture of our product candidates or if it withdraws its approval in the future, we may need to find alternative manufacturing facilities, which would adversely impact our ability to develop, obtain regulatory approval for or market our product candidates.

If we do not establish successful collaborations, we may have to alter our development and commercialization plans for ETC-1002.

Our drug development programs and commercialization plans for ETC-1002 will require substantial additional cash to fund expenses. We may develop and initially commercialize ETC-1002 in the United States without a partner. However, in order to pursue the broader residual risk market in the United States, we may also enter into a partnership or co-promotion arrangement with an established pharmaceutical company that has a larger sales force and we may enter into collaborative arrangements to develop and commercialize ETC-1002 outside of the United States. We will face significant competition in seeking appropriate collaborators and these collaboration agreements are complex and time-consuming to negotiate. We may not be able to negotiate collaborations on acceptable terms, or at all. If that were to occur, we may have to curtail the development or delay commercialization of ETC-1002 in certain geographies, reduce the scope of our sales or marketing activities, reduce the scope of our commercialization plans, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities outside of the United States on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all.

If a collaborative partner terminates or fails to perform its obligations under an agreement with us, the commercialization of ETC-1002 could be delayed or terminated.

We are not currently party to any collaborative arrangements for the commercialization of ETC-1002 or similar arrangements, although we may pursue such arrangements before any commercialization of ETC-1002 outside of the United States or to further commercialize ETC-1002 in the broader residual risk market in the United States, if approved. If we are successful in entering into collaborative arrangements for the commercialization of ETC-1002 or similar arrangements and any of our collaborative partners does not devote sufficient time and resources to a collaboration arrangement with us, we may not realize the potential commercial benefits of the arrangement, and our results of operations may be materially adversely affected. In addition, if any such future collaboration partner were to breach or terminate its arrangements with us, the commercialization of ETC-1002 could be delayed, curtailed or terminated because we may not have sufficient financial resources or capabilities to continue commercialization of ETC-1002 on our own in such locations.

Much of the potential revenue from future collaborations may consist of contingent payments, such as payments for achieving regulatory milestones or royalties payable on sales of drugs. The milestone and royalty revenue that we may receive under these collaborations will depend upon our collaborators' ability to successfully develop, introduce, market and sell new products. In addition, collaborators may decide to enter into arrangements with third parties to commercialize products developed under collaborations using our technologies, which could reduce the milestone and royalty revenue that we may receive, if any. Future collaboration partners may fail to develop or effectively commercialize products using our products or technologies because they:

- decide not to devote the necessary resources due to internal constraints, such as limited personnel with the requisite expertise, limited cash resources or specialized equipment limitations, or the belief that other drug development programs may have a higher likelihood of obtaining marketing approval or may potentially generate a greater return on investment;
- decide to pursue other technologies or develop other product candidates, either on their own or in collaboration with others, including our competitors, to treat the same diseases targeted by our own collaborative programs;
- do not have sufficient resources necessary to carry the product candidate through clinical development, marketing approval and commercialization; or
- cannot obtain the necessary marketing approvals.

Competition may negatively impact a partner's focus on and commitment to ETC-1002 and, as a result, could delay or otherwise negatively affect the commercialization of ETC-1002 outside of the United States or in the broader residual risk market in the United States. If future collaboration partners fail to develop or effectively commercialize ETC-1002 for any of these reasons, our sales of ETC-1002, if approved, may be limited, which would have a material adverse effect on our operating results and financial condition.

Risks Related to General Business, Employee Matters and Managing Growth

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

We currently have 13 employees, and in connection with becoming a public company, we expect to increase our number of employees and the scope of our operations. To manage our anticipated development and expansion, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away

from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of ETC-1002. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than expected, our ability to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize ETC-1002, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

Our future success depends on our ability to retain both our founder, Executive Chairman and Chief Scientific Officer and our President and Chief Executive Officer, and to attract, retain and motivate qualified personnel.

We are highly dependent on Dr. Roger S. Newton, our founder, Executive Chairman and Chief Scientific Officer, and Tim M. Mayleben, our President and Chief Executive Officer. We have entered into employment agreements with Dr. Newton and Mr. Mayleben, but any employee may terminate his or her employment with us. Although we do not have any reason to believe that we will lose the services of either Dr. Newton or Mr. Mayleben in the foreseeable future, the loss of the services of either individual might impede the achievement of our research, development and commercialization objectives. We rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. Recruiting and retaining qualified scientific personnel and sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific personnel from universities and research institutions. Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel.

Our company lacks experience commercializing products, which may have a material adverse effect on our business.

We will need to transition from a company with a development focus to a company capable of supporting commercial activities. We may be unsuccessful in making such a transition. Our company has never filed an NDA and has not yet demonstrated an ability to obtain marketing approval for or commercialize a product candidate. Therefore, our clinical development and regulatory approval process may involve more inherent risk, take longer, and cost more than it would if we were a company with a more significant operating history and had experience obtaining marketing approval for and commercializing a product candidate.

Our employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with the regulations of the FDA and applicable non-U.S. regulators, provide accurate information to the FDA and applicable non-U.S. regulators, comply with

healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

In order to satisfy our obligations as a public company, we may need to hire qualified accounting and financial personnel with appropriate public company experience.

As a newly public company, we will need to establish and maintain effective disclosure and financial controls and make changes in our corporate governance practices. We may need to hire additional accounting and financial personnel with appropriate public company experience and technical accounting knowledge, and it may be difficult to recruit and maintain such personnel. Even if we are able to hire appropriate personnel, our existing operating expenses and operations will be impacted by the direct costs of their employment and the indirect consequences related to the diversion of management resources from product development efforts.

Risks Related to our Financial Position and Capital Requirements

We have not generated any revenue from ETC-1002 and may never be profitable.

Our ability to become profitable depends upon our ability to generate revenue. To date, we have not generated any revenue from our lead product candidate, ETC-1002, and we do not know when, or if, we will generate any revenue. We do not expect to generate significant revenue unless and until we obtain marketing approval of, and begin to sell, ETC-1002. Our ability to generate revenue depends on a number of factors, including, but not limited to, our ability to:

- initiate and successfully complete our Phase 2b clinical trials that meet their clinical endpoints;
- initiate and successfully complete our Phase 3 clinical program;
- initiate and successfully complete all safety studies required to obtain U.S. and foreign marketing approval for ETC-1002 as a treatment for patients with hypercholesterolemia;
- commercialize ETC-1002, if approved, by developing a sales force or entering into collaborations with third parties; and
- achieve market acceptance of ETC-1002 in the medical community and with third-party payors.

Absent our entering into a collaboration or partnership agreement, we expect to incur significant sales and marketing costs as we prepare to commercialize ETC-1002. Even if we initiate and successfully complete our Phase 3 clinical program of ETC-1002, which includes two pivotal Phase 3 clinical trials and one long-term safety study, which each meet their clinical endpoints and ETC-1002 is approved for commercial sale, and despite expending these costs, ETC-1002 may not be a commercially successful drug. We may not achieve profitability soon after generating product sales, if ever. If we are

unable to generate product revenue, we will not become profitable and may be unable to continue operations without continued funding.

Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights.

We may seek additional capital through a combination of private and public equity offerings, debt financings, collaborations and strategic and licensing arrangements. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest in our company will be diluted. In addition, the terms of any such securities may include liquidation or other preferences that materially adversely affect your rights as a stockholder. Debt financing, if available, would increase our fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration, strategic partnerships and licensing arrangements with third parties, we may have to relinquish valuable rights to ETC-1002, our intellectual property, future revenue streams or grant licenses on terms that are not favorable to us.

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

You will suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. Assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, purchasers of common stock in this offering will experience immediate dilution of approximately $ per share in net tangible book value of the common stock. In addition, investors purchasing common stock in this offering will contribute approximately % of the total amount invested by stockholders since inception but will only own approximately % of the shares of common stock outstanding. In the past, we issued options to acquire common stock at prices significantly below the initial public offering price. To the extent these outstanding options are ultimately exercised, investors purchasing common stock in this offering will sustain further dilution. See "Dilution" for a more detailed description of the dilution to new investors in the offering.

Our recurring operating losses have raised substantial doubt regarding our ability to continue as a going concern.

We have a limited operating history and have not commercialized any products or generated any revenue since our inception. We have incurred operating losses in each year since our inception. Our recurring operating losses raise substantial doubt about our ability to continue as a going concern. As a result, for the fiscal year ended December 31, 2012, our independent registered public accounting firm has issued its report on our financial statements and has expressed substantial doubt about our ability to continue as a going concern. We have no current source of revenue to sustain our present activities, and we do not expect to generate revenue until and unless the FDA or other applicable regulatory authorities approve ETC-1002 and we successfully commercialize ETC-1002. Accordingly, our ability to continue as a going concern will require us to obtain additional financing to fund our operations. Uncertainty surrounding our ability to continue as a going concern may make it more difficult for us to obtain financing for the continuation of our operations and could result in the loss of confidence by investors, suppliers and employees.

Our ability to use our net operating loss carryforwards may be subject to limitation.

Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, changes in our ownership may limit the amount of our net operating loss carryforwards that could be utilized

annually to offset our future taxable income, if any. This limitation would generally apply in the event of a cumulative change in ownership of our company of more than 50% within a three-year period. Any such limitation may significantly reduce our ability to utilize our net operating loss carryforwards before they expire. The closing of this offering, together with private placements and other transactions that have occurred since our inception, may trigger such an ownership change pursuant to Section 382. Any such limitation, whether as the result of this offering, prior private placements, sales of our common stock by our existing stockholders or additional sales of our common stock by us after this offering, could have a material adverse effect on our results of operations in future years. We have not completed a study to assess whether an ownership change for purposes of Section 382 has occurred, or whether there have been multiple ownership changes since our inception, due to the significant costs and complexities associated with such study.

We have operated as a private company and have no experience attempting to comply with public company reporting and other obligations. Taking steps to comply with these requirements will increase our costs and require additional management resources, and does not ensure that we will be able to satisfy them.

As a newly public company, we will be required to comply with applicable provisions of the Sarbanes-Oxley Act of 2002, as well as other rules and regulations promulgated by the SEC and the NASDAQ Stock Market LLC, or NASDAQ, which will result in significant initial and continuing legal, accounting, administrative and other costs and expenses. The listing requirements of The NASDAQ Global Market require that we satisfy certain corporate governance requirements relating to director independence, distributing annual and interim reports, stockholder meetings, approvals and voting, soliciting proxies, conflicts of interest and a code of conduct. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these requirements.

After this offering, we will be subject to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, and the related rules of the SEC that generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Beginning with the second annual report that we will be required to file with the SEC, Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting. However, for so long as we remain an "emerging growth company" as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404. Once we are no longer an "emerging growth company" or, if before such date, we opt to no longer take advantage of the applicable exemption, we will be required to include an opinion from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. Please see the Risk Factor titled "We are an 'emerging growth company,' and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, our common stock may be less attractive to investors" in this prospectus for more information regarding our status as an "emerging growth company."

To date, we have never conducted a review of our internal control for the purpose of providing the reports required by these rules. During the course of our review and testing, we may identify deficiencies and be unable to remediate them before we must provide the required reports. Furthermore, if we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, as a public company we will be required to timely file accurate quarterly and annual reports with the SEC under the Securities Exchange Act of 1934, or the Exchange Act, as

amended. In order to report our results of operations and financial statements on an accurate and timely basis, we will depend on CROs to provide timely and accurate notice of their costs to us. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from The NASDAQ Global Market or other adverse consequences that would materially harm our business.

Risks Related to the Securities Markets and Investment in our Common Stock

Market volatility may affect our stock price and the value of your investment.

Following this offering, the market price for our common stock is likely to be volatile, in part because our common stock has not been previously traded publicly. In addition, the market price of our common stock may fluctuate significantly in response to a number of factors, most of which we cannot control, including, among others:

- plans for, progress of or results from clinical or safety trials of ETC-1002;
- the results from our Phase 2a clinical trial (ETC-1002-007), for which we expect to report top-line data in the third quarter of 2013;
- the failure of the FDA to approve ETC-1002;
- announcements of new products, technologies, commercial relationships, acquisitions or other events by us or our competitors;
- the success or failure of other LDL-C lowering therapies;
- regulatory or legal developments in the United States and other countries;
- failure of ETC-1002, if approved, to achieve commercial success;
- fluctuations in stock market prices and trading volumes of similar companies;
- general market conditions and overall fluctuations in U.S. equity markets;
- variations in our quarterly operating results;
- changes in our financial guidance or securities analysts' estimates of our financial performance;
- changes in accounting principles;
- our ability to raise additional capital and the terms on which we can raise it;
- sales of large blocks of our common stock, including sales by our executive officers, directors and significant stockholders;
- additions or departures of key personnel;
- discussion of us or our stock price by the press and by online investor communities; and
- other risks and uncertainties described in these risk factors.

An active public market for our common stock may not develop or be sustained after this offering. We will negotiate and determine the initial public offering price with representatives of the underwriters and this price may not be indicative of prices that will prevail in the trading market. As a result, you may not be able to sell your shares of common stock at or above the initial offering price.

After the completion of this offering, we may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology

and pharmaceutical companies have experienced significant stock price volatility in recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

If securities or industry analysts do not publish or cease publishing research or reports or publish misleading, inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. We do not currently have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts cover our company, the trading price and volume of our stock would likely be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, or provides more favorable relative recommendations about our competitors, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price or trading volume to decline.

We are an "emerging growth company," and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, our common stock may be less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an "emerging growth company." We will remain an "emerging growth company" until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

You may not approve of the ways we use the net proceeds from this offering.

We currently intend to use the net proceeds from this offering to fund our future clinical trials of ETC-1002 and general corporate purposes. Because of the number and variability of factors that will determine our use of the proceeds from this offering, their ultimate use may vary substantially from our current intended use. As such, our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our operating results or enhance the value of our common stock.

Our executive officers, directors, principal stockholders and their affiliates will continue to exercise significant control over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Immediately following the completion of this offering, and disregarding any shares of common stock that they purchase in this offering, the existing holdings of our executive officers, directors, principal stockholders and their affiliates, including Dr. Newton, investment funds affiliated with Aisling Capital, or Aisling, investment funds affiliated with Alta Partners, or Alta, investment funds affiliated with Domain Partners, or Domain, and investment funds affiliated with Longitude Capital, or Longitude, will represent beneficial ownership, in the aggregate, of approximately % of our outstanding common stock, assuming no exercise of the underwriters' option to acquire additional common stock in this offering and assuming we issue the number of shares of common stock as set forth on the cover page of this prospectus. As a result, these stockholders, if they act together, will be able to influence our management and affairs and control the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation, or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock for substantially less than the price of the shares of common stock being acquired in this offering, and these stockholders may have interests, with respect to their common stock, that are different from those of investors in this offering and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

Please see "Principal Stockholders" in this prospectus for more information regarding the ownership of our outstanding common stock by our executive officers, directors, principal stockholders and their affiliates.

Participation in this offering by certain of our existing stockholders would reduce the available public float for our common stock.

Certain of our existing principal stockholders have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of common stock in this offering at the initial public offering price. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering. Based on the initial public offering price of $ per share, the mid-point of the price range included on the cover of this prospectus, if such stockholders were to purchase all of these shares of common stock, they would purchase an aggregate of shares of our common stock in this offering. If such stockholders were to purchase all of these shares of common stock, they would beneficially own approximately % of our outstanding common stock after this offering, and our current directors and executive officers as a group would beneficially own approximately % of our outstanding common stock after this offering.

If our stockholders are allocated all or a portion of the shares of our common stock in which they have indicated an interest in this offering and purchase any such shares, such purchase would reduce the available public float for our shares because such stockholders would be restricted from selling the shares by restrictions under applicable securities laws. As a result, any purchase of common stock by such stockholders in this offering may reduce the liquidity of our common stock relative to what it

would have been had these shares of common stock been purchased by investors that were not affiliated with us.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, even one that may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirors to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our common stock and do not currently intend to do so in the foreseeable future. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. Therefore, the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which you purchased them.

Future sales of our common stock may cause our stock price to decline.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could significantly reduce the market price of our common stock and impair our ability to raise adequate capital through the sale of additional equity securities.

Upon completion of this offering, there will be shares of our common stock outstanding. Of these, shares are being sold in this offering (or shares, if the underwriters exercise their option in full) and will be freely tradable immediately after this offering (except for shares purchased by affiliates) and the remaining shares may be sold upon expiration of lock-up agreements six months after the date of this offering (subject in some cases to volume limitations). In addition, after issuing stock options to our non-employee directors upon the effectiveness of the registration statement of which this prospectus is a part, in accordance with our non-employee director compensation policy, we will have outstanding options to purchase shares of common stock and shares of common stock issuable upon exercise of outstanding warrants to purchase shares of common stock, based upon the mid-point of the price range set forth on the cover page of this prospectus. If these options or warrants are exercised, additional shares will become available for sale upon expiration of the lock-up agreements. A large portion of these shares, options and warrants are held by a small number of persons and investment funds. Moreover, after this offering, Aisling, Alta, Domain, Longitude, Pfizer, Dr. Newton and certain of our executive officers will have rights, subject to some conditions, to require us to file registration statements covering the shares of our common stock

they currently hold, or to include these shares in registration statements that we may file for ourselves or other stockholders. Please see "Description of Capital Stock—Registration Rights" in this prospectus for more information regarding these registration rights.

We also intend to register all the shares of common stock that we may issue under our equity incentive plans. Effective upon the effectiveness of the registration statement of which this prospectus is a part, an aggregate of shares of our common stock will be reserved for future issuance under these plans. Once we register these shares, which we plan to do shortly after the completion of this offering, they can be freely sold in the public market upon issuance, subject to the lock-up agreements referred to above. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our common stock. See "Shares Eligible for Future Sale" for a more detailed description of sales that may occur in the future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contains forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events, including our clinical development plans, or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, including in relation to the clinical development of ETC-1002, to be materially different from any future results, performance or achievements, including in relation to the clinical development of ETC-1002, expressed or implied by these forward-looking statements. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- our ability to obtain regulatory approval for ETC-1002;
- the timing and outcome of our Phase 2 clinical trials of ETC-1002;
- the timing and outcome of our Phase 3 clinical program of ETC-1002, including two Phase 3 clinical trials and one long-term safety study;
- our ability to replicate positive results from a completed clinical trial in a future clinical trial;
- our ability to fund our development programs with existing capital or our ability to raise additional capital in the future;
- the potential benefits, effectiveness or safety of ETC-1002, including as compared to statins, the standard of care for LDL-C lowering therapies, other currently available therapies or therapies in development;
- our ability to respond and adhere to changes in regulatory requirements, including any requirement to conduct additional, unplanned clinical trials, such as a cardiovascular outcomes study in connection with our pursuit of ETC-1002 as an LDL-C lowering therapy in the statin intolerant or other patient populations;
- the progress, timing and amount of expenses associated with our development of ETC-1002;
- guidelines relating to LDL-C levels and cardiovascular risk that are generally accepted within the medical community, including any future changes to such guidelines;
- reimbursement policies, including any future changes to such policies or related government legislation, and their impact on our ability to sell ETC-1002, if approved;
- the accuracy of our estimates of the size and growth potential of the statin intolerant market and the rate and degree of ETC-1002's market acceptance, if it is approved;
- our ability to obtain and maintain intellectual property protection for ETC-1002 without infringing on the intellectual property rights of others;
- the loss of any of our key scientific or management personnel;
- our intention to seek to establish strategic relationships or partnerships; and
- our ability to compete with other companies that are, or may be, developing or selling products that may compete with ETC-1002, if approved.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other similar terminology. These statements are only

predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and that could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of common stock in this offering will be approximately $ million based upon an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' over-allotment option to purchase additional shares in this offering is exercised in full, we estimate that our net proceeds will be approximately $ million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our common stock and to facilitate our future access to the public equity markets. We currently intend to use substantially all of the net proceeds from this offering to fund the clinical development of ETC-1002 through the completion of our currently anticipated Phase 2b clinical trials and end of Phase 2 meeting with the FDA. We expect to announce top-line results from our latest currently anticipated Phase 2b clinical trial in the fourth quarter of 2014 and to have our end of Phase 2 meeting with the FDA in the first quarter of 2015. Based upon our currently anticipated Phase 2 clinical trials, we believe we will have sufficient resources to initiate our intended Phase 3 clinical program of ETC-1002 in a statin intolerant population, although we will need to raise additional capital to complete it. We will use the remaining net proceeds for the further advancement of our early-stage development programs and for general corporate purposes, such as general and administrative expenses, working capital, and prosecution and maintenance of our intellectual property rights.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds from this offering. The amounts and timing of our actual expenditures may vary significantly from our expectations depending upon numerous factors, including the progress of our research and development efforts, the progress of our clinical trials, our operating costs and capital expenditures and the other factors described under "Risk Factors" in this prospectus. Accordingly, we will retain the discretion to allocate the net proceeds of this offering among the identified uses described above, and we reserve the right to change the allocation of the net proceeds among the uses described above.

Pending these uses, we intend to invest the net proceeds in high quality, investment grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government, or hold them as cash.

DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2013:

- on an actual basis;
- on a pro forma basis after giving effect to (i) the conversion of our shares of Series A preferred stock outstanding as of March 31, 2013 into an aggregate of 40,598,092 shares of common stock upon the completion of this offering, (ii) the issuance of 17,000,000 of our shares of Series A preferred stock on April 19, 2013 and the conversion thereof into an aggregate of 17,000,000 shares of common stock upon completion of this offering and (iii) the receipt of $17.0 million of gross proceeds from the issuance of shares of Series A preferred stock on April 19, 2013; and
- on a pro forma as adjusted basis to give further effect to (i) our sale in this offering of shares of common stock at an assumed initial public offering price of $ per share (the mid-point of the range set forth on the cover page of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering.

You should read the following table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock" and the financial statements and related notes appearing elsewhere in this prospectus.

	As of March 31, 2013		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except per share data)		
Cash and cash equivalents	$ 3,886	$	$
Long-term debt	$ 7,529		
Series A preferred stock $0.001 par value per share; 42,538,092 shares authorized and 40,598,092 shares issued and outstanding, actual; 59,538,092 shares authorized and no shares issued and outstanding, pro forma; and no shares authorized and no shares issued and outstanding, pro forma as adjusted	$ 40,598	$	$
Common stock $0.001 par value per share; 58,220,375 shares authorized and 2,420,545 shares issued and outstanding, actual; 75,220,375 shares authorized and 60,021,137 shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma as adjusted	2		
Additional paid-in capital	663		
Accumulated deficit	(46,214)		
Total capitalization	$ (4,951)	$	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the mid-point of the estimated price range shown on the cover page of this prospectus, would increase (decrease) the amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization, on a pro forma as adjusted basis, by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and

commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) each of cash and cash equivalents, total stockholders' equity (deficit) and total capitalization, on a pro forma as adjusted basis, by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The actual, pro forma and pro forma as adjusted information set forth in the table excludes (i) 4,266,933 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2013 with a weighted-average exercise price of $0.27 per share, (ii) 1,940,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2013 at an exercise price of $1.00 per share, which warrants are exercisable to purchase shares of Series A preferred stock prior to the closing of this offering, (iii) shares of common stock reserved for future issuance under our equity incentive plans as of the closing of this offering and (iv) shares of our common stock issuable to Pfizer at the market price thereof at the time of conversion of the Pfizer convertible note, which is presented in the table as long-term debt and which had an outstanding balance, including accrued interest, of $7.7 million as of March 31, 2013.

DILUTION

If you invest in our common stock in this offering, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after this offering.

The net tangible book value of our common stock as of March 31, 2013 was a deficit of $ million, or $ per share. Net tangible book value per share represents our total tangible assets less our total tangible liabilities, divided by the number of shares of common stock outstanding on March 31, 2013. The pro forma net tangible book value of our common stock as of March 31, 2013 was a deficit of $ million, or a deficit of approximately $ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding, as of March 31, 2013, after giving effect to (i) the conversion of our shares of Series A preferred stock outstanding as of March 31, 2013 into an aggregate of 40,598,092 shares of common stock upon the completion of this offering, (ii) the receipt of $17.0 million of gross proceeds from the issuance of shares of Series A preferred stock on April 19, 2013 and (iii) the conversion of our shares of Series A preferred stock issued on April 19, 2013 into an aggregate of 17,000,000 shares of common stock upon completion of this offering.

Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after the completion of this offering. After giving effect to the sale of shares of our common stock in this offering, assuming an initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2013 would have been $, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma as adjusted net tangible book value of approximately $ per share to new investors purchasing shares of our common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after the offering from the amount of cash that a new investor paid for a share of common stock.

The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of March 31, 2013	$	
Increase per share attributable to new investors	$	
Pro forma as adjusted net tangible book value per share at March 31, 2013 after giving effect to the offering		$
Dilution per share to new investors		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the pro forma as adjusted net tangible book value, by $ per share and the dilution to new investors by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) the pro forma as adjusted net tangible book value by $ per share and the dilution to new investors by $ per share, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us. If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value would be $ per share, and the dilution in pro forma net tangible book value per share to investors in this offering would be $ per share.

The following table summarizes, on a pro forma basis, as of March 31, 2013, the difference between the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and by new investors at an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses.

	Shares purchased		Total consideration		Avg price / share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100.0%	$	100.0%	$

The above discussion and tables are based on (i) 43,018,637 shares of common stock issued and outstanding as of March 31, 2013, including the conversion of all outstanding shares of preferred stock into an aggregate of 40,598,092 shares of common stock immediately prior to the completion of this offering and (ii) 17,000,000 shares of common stock into which the shares of Series A preferred stock issued on April 19, 2013 will be converted immediately prior to the completion of this offering, and excludes:

- 4,266,933 shares of common stock issuable upon the exercise of stock options outstanding as of March 31, 2013 at a weighted-average exercise price of $0.27 per share;
- 1,940,000 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2013 at an exercise price of $1.00 per share, which warrants prior to the closing of this offering are exercisable to purchase shares of Series A preferred stock;
- shares of common stock reserved for future issuance under our equity incentive plans as of the closing of this offering; and
- shares of common stock issuable to Pfizer at the market price thereof at the time of conversion of the Pfizer convertible note, which had an outstanding balance, including accrued interest, of $7.7 million as of March 31, 2013.

Certain of our existing principal stockholders and their affiliated entities have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of common stock in this offering at the initial public offering price. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering. The foregoing discussion and tables do not reflect any potential purchases by these existing stockholders or their affiliated entities.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by new investors by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares offered by us would increase (decrease) the total consideration paid by new investors by approximately $ million, assuming the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

To the extent that outstanding options are exercised, you will experience further dilution. In addition, we may choose to raise additional capital in the future due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to our stockholders.

SELECTED FINANCIAL DATA

You should read the following selected historical consolidated financial data below together with "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements, related notes and other financial information included elsewhere in this prospectus. The selected financial data in this section are not intended to replace the financial statements and are qualified in their entirety by the financial statements and related notes included elsewhere in this prospectus.

We derived the statements of operations data for the years ended December 31, 2012 and 2011 and the balance sheet data as of December 31, 2012 and 2011, from our audited financial statements included elsewhere in this prospectus. We derived the statements of operations data for the three months ended March 31, 2013 and 2012 and the balance sheet data as of March 31, 2013 and 2012 from our unaudited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results to be expected in any future period.

	Years Ended December 31,		Three Months Ended March 31,		Period From January 22, 2008 (Inception) through March 31, 2013
	2012	2011	2013	2012	
	(in thousands, except share and per share data)				
Statement of Operations Data:					
Grant income	$ —	$ —	$ —	$ —	$ 244
Operating expenses:					
Research and development	7,998	7,807	2,093	1,557	29,506
General and administrative	2,206	2,357	1,251	633	12,701
Acquired in-process research and development	—	—	—	—	86
Total operating expenses	10,204	10,164	3,344	2,190	42,293
Loss from operations	(10,204)	(10,164)	(3,344)	(2,190)	(42,049)
Total other income (expense)	(1,538)	(653)	(895)	(259)	(4,165)
Net loss	$ (11,742)	$ (10,817)	$ (4,239)	$ (2,449)	$ (46,214)
Per share information:					
Net loss per share, basic and diluted	$ (5.20)		$ (1.75)		
Weighted-average shares outstanding, basic and diluted	2,259,480		2,420,545		
Pro forma net loss per share, basic and diluted (unaudited)(1)	$ (0.45)		$ (0.12)		
Pro forma weighted-average shares outstanding, basic and diluted (unaudited)(1)	26,234,480(2)		35,261,194(3)		

(1) The calculations of the unaudited pro forma net loss per share, basic and diluted, assume the conversion of all of our outstanding shares of convertible preferred stock into shares of our common stock.

(2) Excludes (i) the conversion of the Pfizer convertible note, which had an outstanding balance of $7.5 million as of December 31, 2012, into shares of our common stock at the market price thereof

at the time of conversion, (ii) the conversion of the 2012 convertible promissory notes into 16,623,092 shares of Series A preferred stock in February 2013, (iii) the issuance of 17,000,000 shares of Series A preferred stock on April 19, 2013 and (iv) the exercise of warrants to purchase 1,940,000 shares of our Series A preferred stock.

(3) Excludes (i) the conversion of the Pfizer convertible note, which had an outstanding balance, including accrued interest, of $7.7 million as of March 31, 2013, into shares of our common stock at the market price thereof at the time of conversion, (ii) the issuance of 17,000,000 shares of Series A preferred stock on April 19, 2013 and (iii) the exercise of warrants to purchase 1,940,000 shares of our Series A preferred stock.

The table below presents a summary of our balance sheet data as of December 31, 2012 and 2011:

	As of December 31,		As of March 31,	
	2012	2011	2013	2012
	(in thousands)			
Balance Sheet Data:				
Cash and cash equivalents	$ 6,512	$ 1,571	$ 3,886	$ 4,879
Working capital (deficit)	(10,035)	525	2,436	(1,879)
Total assets	7,312	2,180	5,265	5,461
Total convertible short-term debt	15,241	—	—	6,000
Total convertible long-term debt	7,529	6,897	7,529	6,897
Convertible preferred stock warrant liability	265	—	307	—
Convertible preferred stock	23,975	23,975	40,598	23,975
Deficit accumulated during the development stage	(41,975)	(30,233)	(46,214)	(32,682)
Total stockholders' deficit	(41,365)	(30,032)	(45,549)	(32,464)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and the other financial information appearing elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Corporate Overview

We are a biopharmaceutical company focused on the research, development and commercialization of therapies for the treatment of patients with elevated levels of LDL-C and other cardiometabolic risk factors. ETC-1002, our lead product candidate, is a novel, first in class, orally available, once-daily LDL-C lowering small molecule therapy designed to target known lipid and carbohydrate metabolic pathways to lower levels of LDL-C and to avoid many of the side effects associated with existing LDL-C lowering therapies. We own the exclusive worldwide rights to ETC-1002 and our other product candidates.

We were incorporated in Delaware in January 2008 and commenced our operations in April 2008. Since our inception, we have devoted substantially all of our resources to developing ETC-1002 and our other product candidates, business planning, raising capital and providing general and administrative support for these operations. To date, we have funded our operations primarily through the issuance of preferred stock, convertible promissory notes and warrants to purchase shares of preferred stock. From inception through April 30, 2013, we raised $56.7 million from such transactions.

We are a development stage company and do not have any products approved for sale. To date, we have not generated any revenue. We have never been profitable and, from inception to December 31, 2012, our losses from operations have been $38.7 million. Our net losses were approximately $11.7 million and $10.8 million for the years ended December 31, 2012 and 2011, respectively, and $4.2 million and $2.5 million for the three months ended March 31, 2013 and 2012, respectively. Substantially all of our net losses resulted from costs incurred in connection with research and development programs and from general and administrative costs associated with our operations. We expect to incur significant expenses and increasing operating losses for the foreseeable future. We expect our expenses to increase in connection with our ongoing activities, including, among others:

- conducting additional clinical trials of ETC-1002 to complete its development;
- seeking regulatory approval for ETC-1002;
- commercializing ETC-1002; and
- operating as a public company.

Accordingly, we will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity or debt financings or through other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a material adverse effect on our financial condition and our ability to pursue our business strategy or continue operations. We will need to generate significant revenues to achieve profitability, and we may never do so.

Product Overview

ETC-1002, our lead product candidate, is a novel, first in class, orally available, once-daily LDL-C lowering small molecule therapy designed to target known lipid and carbohydrate metabolic pathways to lower levels of LDL-C and to avoid many of the side effects associated with existing LDL-C lowering therapies. We acquired the rights to ETC-1002 from Pfizer in 2008. We own the exclusive worldwide rights to ETC-1002 and we are not obligated to make any royalty or milestone payments to Pfizer. In 2011, we incurred $4.6 million in expenses related to our Phase 1b Multiple Dose Tolerance trial (ETC-1002-004), our Phase 2a Lipid Proof-of-Concept clinical trial (ETC-1002-003) and our Phase 2a Glucose Proof-of-Concept clinical trial (ETC-1002-005). In 2012, we incurred $5.8 million in expenses related to our Phase 2a Glucose Proof-of-Concept clinical trial and our Phase 2a clinical trials (ETC-1002-006 and ETC-1002-007). We also have two other early-stage programs in pre-clinical development. We licensed one of these candidates from The Cleveland Clinic Foundation, or CCF, and are obligated to make certain royalty and milestone payments (consisting of cash and common stock) to CCF, including a minimum annual cash payment of $50,000 during years when a milestone payment is not met. No milestone or royalty payments will be due to any third-party in connection with the development and commercialization of our other pre-clinical product candidate.

Financial Operations Overview

Revenue

To date, we have not generated any revenue, other than grant income. In the future, we may generate revenue from the sale of ETC-1002 or our other product candidates. If we fail to complete the development of ETC-1002 or our other product candidates, our ability to generate future revenue, and our results of operations and financial position will be adversely affected.

Research and Development Expenses

Since our inception, we have focused our resources on our research and development activities, including conducting pre-clinical studies and clinical trials. Our research and development expenses consist primarily of costs incurred in connection with the development of ETC-1002, which include:

- expenses incurred under agreements with consultants, contract research organizations, or CROs, and investigative sites that conduct our pre-clinical and clinical trials;
- the cost of acquiring, developing and manufacturing clinical trial materials;
- employee-related expenses, including salaries, benefits, stock-based compensation and travel expenses;
- allocated expenses for rent and maintenance of facilities, insurance and other supplies; and
- costs related to compliance with regulatory requirements.

We expense research and development costs as incurred. To date, substantially all of our research and development work has been related to ETC-1002. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations or information provided to us by our vendors. Our direct research and development expenses consist principally of external costs, such as fees paid to investigators, consultants, central laboratories and clinical research organizations, or CROs, in connection with our clinical trials. We do not allocate acquiring and manufacturing clinical trial materials, salaries, stock-based compensation, employee benefits or other indirect costs related to our

research and development function to specific programs. These indirect expenses are included in "Other" in the table below.

	Years Ended December 31,		Three Months Ended March 31,		Period From January 22, 2008 (Inception) through March 31, 2013
	2012	2011	2013	2012	
	(in thousands)				
Direct research and development expenses by program:					
ETC-1002	$ 5,778	$ 4,545	$ 1,671	$ 879	$ 19,734
ESP41091	2	181	—	—	183
4WF	16	913	—	10	1,741
Other	2,202	2,168	422	668	7,848
Total research and development	$ 7,998	$ 7,807	$ 2,093	$ 1,557	$ 29,506

Our research and development expenses are expected to increase in the foreseeable future. Our costs associated with ETC-1002 will increase as we conduct our Phase 2b clinical trials and initiate our Phase 3 clinical trials. We cannot determine with certainty the duration and completion costs associated with the ongoing or future clinical trials of ETC-1002. Also, we cannot conclude with certainty if, or when, we will generate revenue from the commercialization and sale of ETC-1002 or our other product candidates that obtain regulatory approval, if ever. We may never succeed in obtaining regulatory approval for any of our product candidates, including ETC-1002. The duration, costs and timing associated with the development and commercialization of ETC-1002 and our other product candidates will depend on a variety of factors, including uncertainties associated with the results of our clinical trials and our ability to obtain regulatory approval. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development or post-commercialization clinical trials of ETC-1002, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development or post-commercialization clinical trials of ETC-1002.

General and Administrative Expenses

General and administrative expenses primarily consist of salaries and related costs for personnel, including stock-based compensation and travel expenses, associated with our executive, accounting and finance, operational and other administrative functions. Other general and administrative expenses include facility related costs, communication expenses and professional fees for legal, patent prosecution, protection and review, consulting and accounting services. We anticipate that our general and administrative expenses will increase in the future in connection with the continued research and development and commercialization of ETC-1002, increases in our headcount related to our research and development and commercialization activities and the expansion of our information technology infrastructure. Additionally, we anticipate increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Securities and Exchange Commission requirements, NASDAQ listing requirements, stock registration and printing fees, director and officer insurance premiums and investor relations costs associated with being a public company.

Interest Expense

Interest expense consists primarily of non-cash interest costs associated with our convertible promissory notes. On April 28, 2008, we issued an 8.931% convertible promissory note to Pfizer. Interest accruing under this note is capitalized on June 30th and December 31st of each year until maturity on April 28, 2018. The aggregate amount of principal and interest outstanding was approximately $7.5 million and $7.7 million as of December 31, 2012 and March 31, 2013, respectively.

On January 26, 2012, September 4, 2012 and November 30, 2012, we completed convertible note financings in which we issued 10% convertible promissory notes for an aggregate principal amount of $6.0 million, $4.0 million and $5.7 million, respectively, to certain of our existing shareholders. On February 12, 2013, the convertible promissory notes issued in January, September and November 2012 were converted into 16,623,092 shares of Series A preferred stock. During the first quarter of 2013, we incurred approximately $0.5 million of interest expenses related to the amortization of debt issuance cost and debt discount associated with the September 4, 2012 and November 30, 2012 convertible promissory notes.

Other Income

Other income consists of investment income earned on cash and cash equivalents and realized gains and losses on the sale of assets held for sale.

Net Operating Losses and Tax Carryforwards

As of December 31, 2012, we had approximately $40.5 million of federal net operating loss carryforwards to offset future taxable income, if any. These federal net operating loss carryforwards expire at various dates beginning in 2028 if not utilized and are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. If we experience a greater than 50 percent aggregate change in ownership of certain significant stockholders over a three-year period, or a Section 382 ownership change, utilization of our pre-Section 382 ownership change net operating loss carryforwards will be subject to an annual limitation under Section 382 of the Internal Revenue Code which may result in expiration of, or usage limitation on, a substantial portion of the net operating loss carryforwards before utilization. For example, if we experience a Section 382 ownership change in connection with this offering or as a result of future changes in our stock ownership, some of which are outside our control, the tax benefits related to the net operating loss carryforwards may be limited or lost. At December 31, 2012, we recorded a 100% valuation allowance against our net operating loss carryforwards.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in our financial statements. We evaluate our estimates and judgments on an ongoing basis, including those related to accrued expenses and stock-based compensation. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in more detail in Note 2 to our financial statements appearing elsewhere in this prospectus. We believe the following accounting policies to be most critical to understanding our results and financial operations.

Accrued Clinical Development Costs

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses. We base our accrued expenses related to clinical trials on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for the services

received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical trials on our behalf. We generally accrue expenses related to clinical trials based on contracted amounts applied to the level of patient enrollment and activity according to the protocol. If timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we modify our estimates of accrued expenses accordingly on a prospective basis. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. We do not anticipate the future settlement of existing accruals to differ materially from our estimates.

Stock-Based Compensation & Warrant Liability

Stock-Based Compensation

We typically grant stock-based compensation to our employees on their respective date of hire and in connection with annual performance reviews. We account for all stock-based compensation payments issued to employees, consultants and directors using an option pricing model for estimating fair value. Accordingly, stock-based compensation expense is measured based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. Compensation expense is recognized for the portion that is ultimately expected to vest over the period during which the recipient renders the required services to us using the straight-line method. In accordance with authoritative guidance, the fair value of non-employee stock-based awards is re-measured as the awards vest, and the resulting value, if any, is recognized as expense during the period the related services are rendered.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value

We estimate the fair value of our stock-based awards to employees and directors using the Black-Scholes option pricing model. The Black-Scholes model requires the input of subjective assumptions, including (a) the per share fair value of our common stock, (b) the expected stock price volatility, (c) the calculation of the expected term of the award, (d) the risk free interest rate and (e) expected dividends. Due to our limited operating history and a lack of company specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies, which are publicly-traded. When selecting these public companies on which we have based our expected stock price volatility, we selected companies with comparable characteristics to us, including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected life of our stock-based awards. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of our stock-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available. We have estimated the expected life of our employee stock options using the "simplified" method, whereby, the expected life equals the arithmetic average of the vesting term and the original contractual term of the option. The risk-free interest rates for periods within the expected life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted. We have never paid, and do not expect to pay dividends in the foreseeable future.

The weighted-average assumptions used to estimate the fair value of stock options using the Black-Scholes option pricing model were as follows:

	Years Ended December 31,	
	2012	2011
Risk-free interest rate	0.85%	2.50%
Dividend yield	—	—
Expected term (in years)	6.25	6.25
Expected volatility	80%	80%

We are also required to estimate forfeitures at the time of grant, and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest. To the extent that actual forfeitures differ from our estimates, the difference is recorded as a cumulative adjustment in the period the estimates were revised.

Total compensation cost recorded in the statements of operations and comprehensive loss, which includes stock-based compensation expense, restricted stock issued to our founders, which were subject to vesting conditions and are fully vested, and the value of stock and options issued to non-employees for services are allocated as follows:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2011	2013	2012
	(in thousands)			
Research and development	$ 61	$ 57	$ 8	$ 11
General and administrative	19	21	47	5
Total	$ 80	$ 78	$ 55	$ 16

As of December 31, 2012, there was $0.1 million of unrecognized compensation cost related to unvested employee stock option agreements, which is expected to be recognized over a weighted-average period of approximately 2.6 years. For stock option awards subject to graded vesting, we recognize compensation cost on a straight-line basis over the service period for the entire award. In future periods, our stock-based compensation expense is expected to increase as a result of recognizing our existing unrecognized stock-based compensation for awards that will vest and as we issue additional stock-based awards to attract and retain our employees.

Fair Value Estimate

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. The fair value of the common stock underlying our stock-based awards was determined on each grant date by our board of directors, with input from management. All options to purchase shares of our common stock are intended to be granted with an exercise price per share no less than the fair value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant. In the absence of a public trading market for our common stock, on each grant date, we develop an estimate of the fair value of our common stock in order to determine an exercise price for the option grants based in part on input from an independent third-party valuation. Our determinations of the fair value of our common stock was done using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants, or AICPA, Audit and Accounting Practice Aid Series: *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, or the AICPA Practice Guide. The methodologies for options granted on April 11, 2013 included a hybrid of the option pricing method to estimate our underlying equity value and the probability-weighted expected return methodology, or PWERM, that determined an estimated value under an initial public offering, or IPO, scenario. In addition, our board of directors considered various objective and subjective factors, along with input from management and the independent third-party valuation, to determine the fair value of our common stock, including: external market conditions affecting the biopharmaceutical industry, trends within the biopharmaceutical industry, the prices at which we sold shares of preferred stock, the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant, the results of operations, financial position, status of our research and development efforts, our stage of development and business strategy, the

lack of an active public market for our common and our preferred stock, and the likelihood of achieving a liquidity event such as an IPO.

The per share estimated fair value of common stock in the table below represents the determination by our board of directors of the fair value of our common stock as of the date of grant, taking into consideration the various objective and subjective factors described above, including the conclusions of the then most recent contemporaneous valuations of our common stock as discussed below. We computed the per share weighted-average estimated fair value for stock option grants based on the Black-Scholes option pricing model. The following table presents the grant dates and related exercise prices of stock options granted to our employees, directors and consultants from inception through April 11, 2013:

Grants Made During	Number of shares underlying options granted	Exercise price per share	Common stock per share estimate fair value	Per share weighted-average fair value of options
Year Ended December 31, 2008	740,921	$ 0.15	$ 0.15	$ 0.11
Year Ended December 31, 2009	110,000	$ 0.15	$ 0.15	$ 0.11
Year Ended December 31, 2010	706,674	$ 0.18	$ 0.18	$ 0.13
Year Ended December 31, 2011				
May 19, 2011	25,000	$ 0.22	$ 0.22	$ 0.16
July 13, 2011	10,000	$ 0.22	$ 0.22	$ 0.16
December 1, 2011	30,000	$ 0.22	$ 0.22	$ 0.16
Year Ended December 31, 2012				
July 12, 2012	480,000	$ 0.27	$ 0.27	$ 0.19
Three Months Ended March 31, 2013				
January 16, 2013	2,676,213	$ 0.30	$ 0.30	$ 0.21
February 6, 2013	120,000	$ 0.30	$ 0.30	$ 0.21
April 11, 2013	755,000	$ 0.53	$ 0.53	$ 0.37

Our board of directors granted options at exercise prices that increased from $0.15 per share in 2008 up to $0.53 per share in April 2013.

In determining the exercise prices of the options set forth in the table above granted in 2008 through April 11, 2013, our board of directors also considered the most recent contemporaneous valuations of our common stock, which were prepared as of December 31, 2008, December 31, 2009, December 31, 2010, December 31, 2011, December 31, 2012 and March 31, 2013 and based its determination of fair value for grants in 2011 and thereafter in part on the analyses summarized below.

Stock option grants during the year ended December 31, 2011

Our board of directors granted stock options during the year ended December 31, 2011, with each having an exercise price of $0.22 per share. The exercise price was supported by an independent third-party valuation as of December 31, 2010 and included a 57.6% discount for lack of marketability. The specific facts and circumstances considered by our board of directors for the December 31, 2010 valuation included the following:

- In March 2010, we completed ETC-1002-001, our single dose Phase 1a clinical trial of ETC-1002.
- In April 2010 and November 2010, respectively, we sold an aggregate of 1,000,000 and 25,000 shares of Series A preferred stock for $1.00 per share pursuant to the terms of the original Series A preferred stock financing we entered into in April 2008.
- Our planned sale of an aggregate of 6,700,000 shares of Series A preferred stock for $1.00 per share, which occurred in January 2011, following our achievement of the technical milestone for this closing in December 2010 pursuant to the terms of the original Series A preferred stock financing we entered into in April 2008.

In addition to the objective and subjective factors discussed above, our board of directors also considered input from management and the valuation as of December 31, 2010. Management determined that no other significant events or other circumstances had occurred between December 31, 2010 and May 19, 2011, July 13, 2011 or December 1, 2011 that would indicate there was a change in the fair value of our common stock during those periods.

July 12, 2012 stock option grant

Our board of directors granted stock options on July 12, 2012, with each having an exercise price of $0.27 per share. The exercise price was supported by an independent third-party valuation as of December 31, 2011 and included a 45% discount for lack of marketability. The specific facts and circumstances considered by our board of directors for the December 31, 2011 valuation included that, in October 2011, we completed and received data from ETC-1002-003, our Phase 2a clinical trial of ETC-1002 that began in 2010, the results of which further demonstrated the safety and efficacy of ETC-1002 in 133 treated patients.

In addition to the objective and subjective factors discussed above, our board of directors also considered input from management and the valuation as of December 31, 2011. Management determined that no significant events or other circumstances had occurred between December 31, 2011 and July 12, 2012 that would indicate there was a change in the fair value of our common stock during that period.

January 16, 2013 and February 6, 2013 stock option grants

Our board of directors granted stock options on January 16, 2013 and February 6, 2013, with each having an exercise price of $0.30 per share. The exercise price was supported by an independent third-party valuation as of December 31, 2012 and included a 40% discount for lack of marketability. The specific facts and circumstances considered by our board of directors for the December 31, 2012 valuation included the following:

- In October 2012, we received data from ETC-1002-005, our Phase 2a clinical trial of ETC-1002 that began in April 2012, the results of which demonstrated safety and efficacy at higher doses with varying patient populations.

- In December 2012, board initiated preliminary discussion relating to the possibility of pursuing an initial public offering; however, no plan of action was put in place and the primary focus was to identify a new private investor to further finance the development of ETC-1002 and through our currently anticipated Phase 2b clinical trials.

In addition to the objective and subjective factors discussed above, our board of directors also considered input from management and the valuation as of December 31, 2012. Management determined that no significant events or other circumstances had occurred between December 31, 2012 and January 16, 2013 or February 6, 2013 that would indicate there was a change in the fair value of our common stock during those periods.

April 11, 2013 stock option grants

Our board of directors granted stock options on April 11, 2013, with each having an exercise price of $0.53 per share. The exercise price was supported by an independent third-party valuation as of April 9, 2013. This independent third-party valuation reflected our February 12, 2013 issuance of 16,623,092 shares of our Series A preferred stock at $1.00 per share upon the conversion of all of the convertible promissory notes that we issued in 2012. This independent third-party valuation also reflected our anticipated entering into of a stock purchase agreement pursuant to which, on April 11,

2013, we agreed to sell 17,000,000 shares of our Series A preferred stock at a price of $1.00 per share, which we consummated on April 19, 2013.

During March 2013, we decided to pursue an IPO and made significant progress in preparing for the filing. This included engaging the underwriters for this offering, engaging outside counsel, holding an organizational meeting, and preparing drafts of the prospectus and registration statement for this filing. As a result, the April 9, 2013 independent third-party valuation utilized a hybrid of the option-pricing method, "OPM backsolve", and the PWERM as outlined in the AICPA practice aid. Under this method, the per share values calculated under the option-pricing method and PWERM are weighted appropriately to arrive at a final fair market value per share value of the common stock before the discount for lack of marketability is applied. The probability-weighted equity value of the common stock is based on potential future liquidity events, with an allocation of probabilities applied to each scenario, and discounted to present value. Future liquidity event scenarios included remaining private and early and late initial public offering (late including high and low pre-money enterprise values). Our board of directors and management determined the timing of the future liquidity event scenarios. The probability weightings used in the PWERM analysis took into consideration, actual and forecasted data from completed and yet to be completed clinical trials of ETC-1002 and general market conditions. In each of the scenarios we assumed high and low probability to determine value.

The table below summarizes the significant assumptions utilized for each of the event scenarios used in valuing the common stock and based upon which the fair value was determined to be $0.53 per share:

		PWERM Scenarios		
	Option Pricing Method	Early IPO	Late IPO (High)	Late IPO (Low)
Probability weighting	50%	17.5%	5%	27.5%
Volatility	56%	NA	NA	NA
Risk-free interest rate	0.19%	NA	NA	NA
Discount for lack of marketability	25%	25%	25%	25%

The probability weighting assigned to the early and late IPO scenarios were based on the possibility we would seek to raise capital in the public markets following the announcement of top-line results from ETC-1002-006 and prior to completing ETC-1002-007. The probability weightings assigned to the respective liquidity scenarios were primarily based on consideration of the stage of our clinical development, industry clinical success rates, expected near term and long-term funding requirements, and the overall success rate of current financing in the public markets.

In addition to the factors discussed above, our board of directors also considered input from management and the valuation as of April 9, 2013. Because the April 9, 2013 valuation included assumptions for the $17.0 million sale of preferred stock, management determined that no significant events or circumstances had occurred between April 9, 2013 and April 11, 2013 that would indicate there was a change in the fair value of our common stock during that period.

The primary factors contributing to the difference between the estimated initial public offering price range of $ to $ and the fair value of our common stock of $0.53 per share as of April 11, 2013 include:

- In June 2013, we expect to receive top-line efficacy and safety results from ETC-1002-006, our first clinical trial specifically designed to evaluate ETC-1002 in a statin intolerant population with a primary endpoint of LDL-C lowering, which is the first indication for which we currently expect to seek approval of ETC-1002.

- The fair value as of April 11, 2013 was calculated based on the probability weighted present value of expected future values, considering each of the possible outcomes available to us as well

as the rights of each share class. The fair value of our common stock was estimated using a probability weighted analysis of the present value of the returns afforded to our shareholders under each of the three possible future scenarios.

- The probability of completing an initial public offering was estimated at 50% as of April 11, 2013, whereas the public offering price assumes the completion of our initial public offering.
- The discount for lack of marketability was estimated at 25% as of April 11, 2013, whereas the public offering price assumes no marketability discount.
- The completion of an initial public offering and the expiration of certain lock-up agreements would reduce the limitations on the ability of holders to transfer the equity securities.
- Upon successful completion of an initial public offering, enterprises typically experience a further reduction in the cost of capital. A reduction in the cost of capital increases the enterprise value.
- There is no assurance we will complete a public offering or other liquidity event at the pricing range provided by our investment bankers or that we will be able to complete the initial public offering of our common stock.

Based on the factors described above, and most notably the assumed completion of ETC-1002-006, the probability of being able to proceed with an initial public offering increased significantly following April 11, 2013, which reduced the difference between the fair value of our common stock and the estimated initial public offering price range. While we have formally initiated the public offering process as of this date, there is no assurance that we will actually proceed with the initial public offering.

Preferred Stock Warrant Liability

Our outstanding warrants to purchase shares of preferred stock have provisions by which the underlying issuance is contingently redeemable based on events outside of our control and as such are recorded as a liability in accordance with ASC 480-10. Warrants classified as derivative liabilities are recorded on our balance sheet at fair value on the date of issuance and are marked-to-market on each subsequent reporting period. Non-cash changes in the fair value at each reporting period are recognized in the statement of operations. The warrants are measured using the Monte Carlo simulation valuation model and are based, in part, upon inputs where there is little or no market data, requiring us to develop our own independent assumptions related to expected stock-price volatility, expected life and risk-free interest rate. The assumptions used in calculating the estimated fair market value at each reporting period represent our best estimate. We expect that the value of the warrants will fluctuate significantly from period to period.

Emerging Growth Company Status

Under Section 107(b) of the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, an "emerging growth company" can delay the adoption of new or revised accounting standards until such time as those standards would apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, as a result, we will adopt new or revised accounting standards at the same time as other public companies that are not emerging growth companies. There are other exemptions and reduced reporting requirements provided by the JOBS Act that we are currently evaluating. For example, as an emerging growth company, we are exempt from Sections 14A(a) and (b) of the Exchange Act which would otherwise require us to (i) submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "golden parachutes" and (ii) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of our Chief Executive Officer's

compensation to our median employee compensation. We also intend to rely on certain other exemptions, which include but are not limited to, providing an auditor's attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and complying with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis.

We will continue to remain an "emerging growth company" until the earliest of the following: the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; the last day of the fiscal year in which our total annual gross revenues are equal to or more than $1 billion; the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission.

Results of Operations

Comparison of Three Months Ended March 31, 2013 and 2012

The following table summarizes our results of operations for the three months ended March 31, 2013 and 2012:

	Three Months Ended March 31,		
	2013	2012	Change
	(in thousands)		
Operating Expenses:			
Research and development	$ 2,093	$ 1,557	$ 536
General and administrative	1,251	633	618
Loss from operations	(3,344)	(2,190)	(1,154)
Other income (expense):			
Interest expense	(828)	(260)	(568)
Change in fair value of warrant liability	(42)	—	(42)
Other income (expense), net	(25)	1	(26)
Net loss	$ (4,239)	$ (2,449)	$ (1,790)

Research and development expenses

Research and development expenses for the three months ended March 31, 2013 were $2.1 million, compared to $1.6 million for the three months ended March 31, 2012, an increase of $0.5 million. The increase in research and development expenses primarily related to the further clinical development of ETC-1002, including the initiation of two Phase 2a clinical trials.

General and administrative expenses

General and administrative expenses for the three months ended March 31, 2013 were $1.3 million, compared to $0.6 million for the three months ended March 31, 2012, an increase of $0.7 million. The increase in general and administrative expenses was primarily attributable to an increase in professional services provided to us and changes in our headcount.

Interest expense

Non-cash interest expense for the three months ended March 31, 2013 was $0.8 million, compared to $0.3 million for the three months ended March 31, 2012, a $0.5 million increase. The increase in interest expense was primarily related to our issuance of convertible promissory notes in January,

September and November 2012, which had a 10% interest rate before being converted into 16,623,092 shares of Series A preferred stock in February 2013, the amortization of debt issuance cost and debt discount associated with the September and November 2012 convertible promissory notes as well as the accrued interest on the 8.931% convertible promissory note issued to Pfizer, which had an outstanding balance of $7,694,643 as of March 31, 2013.

Change in fair value of warrant liability

The outstanding warrants to purchase 1,940,000 shares of our Series A preferred stock require liability classification and mark-to-market accounting at each reporting period in accordance with ASC 480-10. The fair values of the warrants were determined using the Monte Carlo simulation valuation model and resulted in the recognition of a loss of approximately $42,000 related to the change in fair values for the three months ended March 31, 2013.

Other income (expense), net

Other income (expense), net for the three months ended March 31, 2013 was an expense of approximately $25,000 compared to income of approximately $1,000 for the three months ended March 31, 2012, a $26,000 increase. This increase was primarily related to an impairment on our assets held for sale to adjust the carrying value to fair value.

Comparison of Years Ended December 31, 2012 and 2011

The following table summarizes our results of operations for the years ended December 31, 2012 and 2011:

	Years Ended December 31,		
	2012	2011	Change
	(in thousands)		
Operating Expenses:			
Research and development	$ 7,998	$ 7,807	$ 191
General and administrative	2,206	2,357	(151)
Loss from operations	(10,204)	(10,164)	(40)
Other income (expense):			
Interest expense	(1,486)	(577)	(909)
Change in fair value of warrant liability	32	—	32
Other income (expense), net	(84)	(76)	(8)
Net loss	$ (11,742)	$ (10,817)	$ (925)

Research and development expenses

Research and development expenses for the year ended December 31, 2012 were $8.0 million, compared to $7.8 million for the year ended December 31, 2011, an increase of $0.2 million primarily related to the further clinical development of ETC-1002, including the initiation of two Phase 2a clinical trials, which includes the initiation and completion of our Phase 2a Glucose Proof-of-Concept clinical trial and the initiation of our Phase 2a Lipid Proof-of-Concept clinical trial.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2012 were $2.2 million, compared to $2.4 million for the year ended December 31, 2011, a decrease of $0.2 million. The decrease in general and administrative expenses was primarily attributable to a decrease in professional consulting services provided to us.

Interest expense

Non-cash interest expense for the year ended December 31, 2012 was $1.5 million, compared to $0.6 million for the year ended December 31, 2011, a $0.9 million increase in interest expense. This increase in interest expense was primarily related to our issuance of convertible promissory notes in January, September and November 2012, which each bear interest at a rate of 10%, as well as the accrued interest on the 8.931% convertible promissory note issued to Pfizer, which had an outstanding balance of $7,528,845 as of December 31, 2012.

Subsequently, on February 12, 2013, the convertible promissory notes issued in January, September and November 2012 were converted into an aggregate of 16,623,092 shares of Series A preferred stock.

Change in fair value of warrant liability

The outstanding warrants to purchase 1,940,000 shares of our Series A preferred stock require liability classification and mark-to-market accounting at each reporting period in accordance with ASC 480-10. The fair values of the warrants were determined using the Monte Carlo simulation valuation model and resulted in the recognition of a gain of $32,000 related to the change in fair values for the year ended December 31, 2012.

Other income (expense), net

Other income (expense), net for the year ended December 31, 2012 was an expense of approximately $84,000 compared to an expense of approximately $76,000 for the year ended December 31, 2011, an $8,000 decrease. This decrease was primarily related to a reduction in interest income earned on our money market funds.

Liquidity and Capital Resources

We have funded our operations since inception through private placements of preferred stock, convertible promissory notes and warrants to purchase shares of preferred stock. To date, we have not generated any revenue, and we anticipate that we will continue to incur losses for the foreseeable future. As of March 31, 2013, our primary sources of liquidity were our cash and cash equivalents, which totaled $3.9 million. On April 19, 2013, we issued an aggregate of 17,000,000 shares of Series A preferred stock to funds affiliated with Longitude Capital and certain existing investors, for gross proceeds of $17.0 million. We invest our cash equivalents and short-term investments in highly liquid, interest-bearing investment-grade and government securities to preserve principal.

In its report accompanying our audited financial statements for the year ended December 31, 2012 included elsewhere in this prospectus, our independent registered public accounting firm included a "going concern" explanatory paragraph. A "going concern" opinion means, in general, that our independent registered public accounting firm has substantial doubt about our ability to continue our operations without an additional infusion of capital from external sources.

The following table summarizes the primary sources and uses of cash for the periods presented below:

	Years Ended December 31,		Three Months Ended March 31,	
	2012	2011	2013	2012
	(in thousands)			
Cash (used in) operating activities	$ (10,809)	$ (9,069)	$ (2,627)	$ (2,686)
Cash provided by (used in) investing activities	(2)	509	1	(6)
Cash provided by financing activities	15,751	6,716	—	6,000
Net increase (decrease) in cash and cash equivalents	$ 4,940	$ (1,844)	$ (2,626)	$ 3,308

Operating Activities

We have incurred, and expect to continue to incur, significant costs in the areas of research and development, regulatory and other clinical trial costs, associated with our development of ETC-1002. Net cash used in operating activities totaled $10.8 million and $9.1 million for the years ended December 31, 2012 and 2011, respectively, and $2.6 million and $2.7 million for the three months ended March 31, 2013 and 2012, respectively. The primary use of our cash was to fund the development of ETC-1002, adjusted for non-cash expenses, such as depreciation and amortization, interest expense, mark-to-market of our warrant liability and changes in working capital.

Investing Activities

Net cash used in investing activities of $1,700 in the year ended December 31, 2012 consisted primarily of property and equipment purchases, partially off-set by our sale of certain assets. Net cash provided by investing activities in the year ended December 31, 2011 consisted primarily of $0.5 million in proceeds received from maturities of short-term investments to fund our operations.

Financing Activities

Net cash provided by financing activities in the year ended December 31, 2012 consisted primarily of $15.7 million in proceeds received in January, September and November 2012 from the sale and issuance of convertible promissory notes and, in connection with the September and November 2012 issuances, warrants to purchase shares of preferred stock. Net cash provided by financing activities in the year ended December 31, 2011 consisted primarily of $6.7 million in proceeds received from the sale and issuance of 6,700,000 shares of our Series A preferred stock.

On April 19, 2013, we issued and sold an aggregate of 17,000,000 shares of our Series A preferred stock at a price of $1.00 per share for gross proceeds of $17.0 million to Dr. Newton and affiliated funds of Longitude Capital, Alta Partners, Aisling Capital, Domain Partners, Asset Management and Arboretum Ventures. Each share of Series A preferred stock issued in this financing is initially convertible into one share of our common stock. Upon the closing of the financing, Patrick Enright of Longitude Capital became a member of our board of directors.

Plan of Operations and Funding Requirements

ETC-1002 is currently in Phase 2 clinical development, and we expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We expect that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditures requirements through our currently anticipated Phase 2b clinical trials of ETC-1002 and end of Phase 2 meeting with the FDA, and that we will likely

need to raise additional capital to thereafter continue to fund the further development of ETC-1002 and our operations. We expect to announce top-line results from our latest currently anticipated Phase 2b clinical trial in the fourth quarter of 2014 and to have our end of Phase 2 meeting with the FDA in the first quarter of 2015. We have based these estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of ETC-1002, and the extent to which we may enter into collaborations with pharmaceutical partners regarding the development and commercialization of ETC-1002, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the development and commercialization of ETC-1002. Our future funding requirements will depend on many factors, including, but not limited to:

- our ability to successfully develop and commercialize ETC-1002 and our other product candidates;
- the costs, timing and outcomes of our ongoing and planned clinical trials of ETC-1002;
- the time and cost necessary to obtain regulatory approvals for ETC-1002, if at all;
- our ability to establish a sales, marketing and distribution infrastructure to commercialize ETC-1002 in the United States and abroad or our ability to establish any future collaboration or commercialization arrangements on favorable terms, if at all;
- future costs in connection with building outsourced manufacturing capacity for ETC-1002;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the implementation of operational and financial information technology.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams or ETC-1002 or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or through collaborations, strategic alliances or licensing arrangements when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market ETC-1002 that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

We lease office and laboratory space in Plymouth, MI under an operating lease agreement expiring on October 2, 2013. We have options to renew this lease for two additional five year terms. The future minimum lease payments as of March 31, 2013 are presented in the table below:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(in thousands)		
Operating leases	$ 144	$ 144	$ —	$ —	$ —
Total	$ 144	$ 144	$ —	$ —	$ —

We are also party to a license agreement pursuant to which we are obligated to make future minimum annual payments of $50,000 in years during which milestone payments are not triggered under the agreement. In addition, we are also contractually obligated to issue up to an aggregate of 80,000 shares of common stock upon various milestones set forth in the agreement.

Off-Balance Sheet Arrangements

We do not currently have, nor did we have during the periods presented, any off-balance sheet arrangements as defined by Securities and Exchange Commission rules.

Recently Issued Accounting Pronouncements

In July 2012, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update (ASU) 2012-02, Testing Indefinite-Lived Intangible Assets for Impairment. The guidance allows companies, at their option, to perform a qualitative assessment of indefinite-lived assets to determine if it is more likely than not that the fair value of the asset exceeds its carrying value. If analysis of the qualitative factors results in the fair value of the indefinite-lived asset exceeding the carrying value, then performing the quantitative assessment is not required. This guidance is effective for interim and annual periods beginning after December 15, 2012. The adoption of this standard is not expected to have a material impact on our financial statements.

In June 2011, the FASB issued ASU 2011-05 which is an amendment to the accounting guidance for presentation of comprehensive income. Under the amended guidance, a company has the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In either case, a company is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income and a total amount for comprehensive income. The amendment is effective for fiscal years ending, and interim periods within those years, beginning after December 15, 2012. The adoption of this update did not have a material impact on our financial statements.

In May 2011, the FASB issued ASU 2011-04 which is an amendment to the accounting guidance on fair value measurements. This accounting standard update clarifies the application of existing fair value measurement guidance and expands the disclosure of fair value measurements that are estimated using significant unobservable (Level 3) inputs. The amendments were effective on a prospective basis for annual and interim reporting periods beginning after December 15, 2011. The adoption of this standard did not have a material impact on our financial statements.

Quantitative and Qualitative Disclosures about Market Risk

We had cash and cash equivalents of approximately $6.5 million and $1.6 million at December 31, 2012 and 2011, respectively and approximately $3.9 million at March 31, 2013. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk relates to fluctuations in interest rates which are affected by changes in the general level of U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. The convertible promissory note issued to Pfizer carries, and our previously outstanding other convertible promissory notes carried, a fixed interest rate and, as such, we are not subject to interest rate risk on outstanding indebtedness or otherwise. We do not have any foreign currency or other derivative financial instruments.

We do not believe that our cash, cash equivalents and available-for-sale investments have significant risk of default or illiquidity. While we believe our cash and cash equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits.

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the years ended December 31, 2012 and 2011 or for the three months ended March 31, 2013 and 2012.

BUSINESS

Overview

We are a biopharmaceutical company focused on the research, development and commercialization of therapies for the treatment of patients with elevated levels of low-density lipoprotein cholesterol (LDL-C) and other cardiometabolic risk factors. ETC-1002, our lead product candidate, is a novel, first in class, orally available, once-daily small molecule therapy designed to target known lipid and carbohydrate metabolic pathways to lower levels of LDL-C and to avoid many of the side effects associated with existing LDL-C lowering therapies. To date, we have treated 238 subjects in five completed clinical trials, including two Phase 2a clinical trials. We own the exclusive worldwide rights to ETC-1002 and our other product candidates.

Our founder, Executive Chairman and Chief Scientific Officer, Roger S. Newton, Ph.D., FAHA, co-discovered the statin marketed as Lipitor® (atorvastatin calcium), the most prescribed LDL-C lowering therapy in the world and the best-selling drug in the history of the pharmaceutical industry. We believe our management team has demonstrated expertise in understanding cholesterol biosynthesis and other related cardiometabolic pathways, the strengths and weaknesses of currently marketed therapies and the ability to recognize the potential of novel cholesterol regulating therapies.

Statins are the current standard of care for LDL-C lowering for approximately 30 million patients in the United States. However, based upon a recent academic survey, we estimate that more than 2 million U.S. adults have discontinued statin therapy because of muscle pain or weakness. We believe that ETC-1002, if approved, has the potential to become the preferred once-daily, oral therapy for patients who are unable to tolerate statin therapy. We also believe, because symptoms of muscle pain or weakness occur in up to 20% of patients on statin therapy in clinical practice, the size of the statin intolerant market is poised to grow should an effective non-statin therapy become available.

We have one ongoing Phase 2a clinical trial evaluating ETC-1002 as an LDL-C lowering agent specifically in patients with a history of intolerance to two or more statins. We expect to initiate a larger Phase 2b clinical trial in this targeted population by the end of 2013 and to report top-line results by the end of 2014. Our completed Phase 2a clinical trials have demonstrated significant average LDL-C reductions as high as 43% and reductions comparable to statins in levels of high sensitivity C-reactive protein, or hsCRP, a key marker of inflammation. Zetia and Welchol, the most prescribed therapies for elevated LDL-C levels other than statins, have each reported LDL-C lowering of up to 18% in pivotal clinical trials while having no impact on hsCRP.

We also intend to advance the development of ETC-1002 as a therapy for patients currently on statin therapy but who are unable to achieve their LDL-C goals. These patients, known as residual risk patients, remain at increased risk for cardiovascular disease. The Centers for Disease Control and Prevention, or CDC, estimates there are approximately 11 million adults in the United States in this residual risk patient population. We are currently evaluating the efficacy and interaction of ETC-1002 and a 10 mg dose of atorvastatin calcium in an ongoing Phase 2a clinical trial, and we expect to initiate a larger Phase 2b clinical trial in this patient population by the end of 2013 and to report top-line results by the end of 2014.

Based upon its dual mechanism of action, we believe there are a number of additional specific patient populations in which ETC-1002 could have a beneficial effect. For example, the FDA recently warned of the link between the use of statins and an increased risk for the development of type 2 diabetes and worsening of glucose control. By contrast, in our Phase 2a clinical trial in patients with type 2 diabetes, ETC-1002 lowered LDL-C by an average of 43% without increasing blood glucose levels. A significant number of patients with elevated levels of LDL-C, or hypercholesterolemia, have one or more additional cardiometabolic risk factors that are poorly controlled, including elevated levels of hsCRP, blood glucose, blood pressure and excess weight. Post hoc analyses of data from our

completed clinical trials have shown that ETC-1002 could potentially have a beneficial impact on one or more of these cardiometabolic risk factors.

We were founded in January 2008 by former executives of and investors in the original Esperion Therapeutics, Inc., a biopharmaceutical company, which was primarily focused on the research and development of therapies to regulate high-density lipoprotein cholesterol, or HDL-C. After successfully completing a Phase 2a clinical trial with its synthetic HDL therapy, the original Esperion was acquired by Pfizer Inc. in 2004. ETC-1002 was first discovered at the original Esperion and we subsequently acquired the rights to it from Pfizer in 2008. To date, we have raised approximately $57 million to develop ETC-1002.

Our Strategy

Our objective is to be a leader in the discovery, development and commercialization of novel therapies for the treatment of patients with hypercholesterolemia and other cardiometabolic risk factors. The core elements of our strategy include:

- ***Rapidly advance the clinical development of ETC-1002 as a novel, first in class, orally available, once-daily, small molecule therapy for hypercholesterolemic patients who are statin intolerant.*** In June 2013, we expect to announce top-line efficacy and safety results from ETC-1002-006, our Phase 2a clinical trial in patients with elevated LDL-C and a history of intolerance to two or more statins. We plan to initiate a Phase 2b clinical trial in approximately 200 statin intolerant patients by the end of 2013. This Phase 2b clinical trial will include a comparison with Zetia (ezetimibe), which we believe is currently the most prescribed non-statin LDL-C lowering therapy. Zetia's worldwide sales total more than $2.5 billion, approximately half of which are for the treatment of statin intolerant patients. While we have not yet completed any comparative clinical trials, Zetia has reported LDL-C lowering of up to an average of 18% in two pivotal clinical trials and ETC-1002 has demonstrated LDL-C lowering up to an average of 43% in clinical trials to date. Because of its superior LDL-C lowering and an attractive safety profile, we believe that ETC-1002, if approved, has the potential to become the preferred orally available, once-daily LDL-C lowering small molecule therapy for hypercholesterolemic patients who are unable to tolerate statin therapy.

- ***Demonstrate ETC-1002's potential as an add-on therapy for residual risk patients, those who cannot achieve their LDL-C goals despite the use of statin therapy.*** In the third quarter of 2013, we expect to announce top-line efficacy and safety results from ETC-1002-007, our Phase 2a clinical trial using increasing doses of ETC-1002 as an add-on to atorvastatin calcium. We plan to initiate a Phase 2b clinical trial in approximately 200 residual risk patients by the end of 2013. Residual risk patients in our Phase 2b clinical trial will receive multiple dose strengths of ETC-1002 in tandem with atorvastatin calcium. Today, residual risk patients are often prescribed fixed combination statin therapies, including Vytorin (ezetimibe and simvastatin), Advicor (niacin extended release and lovastatin) and Simcor (niacin and simvastatin). The leading fixed combination therapy, Vytorin, reported worldwide sales of $1.7 billion in 2012. As compared to new higher-cost biologic LDL-C lowering therapies currently in development, we believe that, if approved, ETC-1002's convenient once-daily, oral dosage form and expected competitive pricing will make it an attractive statin add-on therapy for residual risk patients.

- ***Develop ETC-1002 for LDL-C lowering in targeted patient populations, and develop our other product candidates to treat cardiometabolic risk factors in additional patient populations.*** We may initiate additional clinical trials to explore ETC-1002 as a potential therapy for patients with multiple cardiometabolic risk factors, including elevated levels of hsCRP, blood glucose, blood pressure and excess weight. In addition, we may advance the clinical development of two early-stage product candidates to which we own the exclusive worldwide rights: ESP41091, an oral therapy

for patients with multiple cardiometabolic risk factors; and 4WF, a synthetic HDL therapy to reverse the deleterious effects of atherosclerosis.

- ***Leverage the expertise of our experienced team of drug developers that are expert in the development of small molecule and biologic cholesterol regulating therapies.*** Esperion is led by Dr. Roger S. Newton, the CEO of the original Esperion and the co-discoverer of Lipitor, which achieved NDA approval in only six years from IND filing. The original Esperion pioneered the development of apoA-I Milano, the only synthetic HDL therapy to demonstrate regression of atherosclerosis in human subjects. Dr. Newton is joined by an experienced group of pre-clinical and clinical drug developers with prior success in the development of lipid regulating therapies. Our key strengths lie in our understanding of the biology of cholesterol biosynthesis and other complex metabolic pathways and our ability to discover and develop novel therapies to modulate targets in these pathways.

- ***Maintain flexibility in commercializing and maximizing the value of our development programs.*** We may enter into strategic relationships with biotechnology or pharmaceutical companies to realize the full value of ETC-1002 or our other earlier-stage development programs. For ETC-1002, we may enter into one or more strategic relationships to access broader geographic markets, pursue broader LDL-C lowering indications and populations or pursue indications outside of LDL-C lowering.

Product Pipeline

The following table summarizes the current status of our product development pipeline:

Product Candidate	Targeted Indication	Stage of Clinical Development	Development Status
ETC-1002	LDL-C lowering in statin intolerant patients	Phase 2a	• Top-line data from Phase 2a (ETC-1002-006) expected Q2 2013 • Expect to initiate Phase 2b (ETC-1002-008) in Q4 2013
	LDL-C lowering in residual risk patients	Phase 2a	• Top-line data from Phase 2a (ETC-1002-007) expected Q3 2013 • Expect to initiate Phase 2b (ETC-1002-009) in Q4 2013
	LDL-C lowering in additional specific patient populations	Phase 2a	• Completed first Phase 2a (ETC-1002-005) in type 2 diabetes patient population
ESP41091	Type 2 diabetes and obesity	Pre-clinical	• Pre-clinical studies ongoing
4WF	Low HDL	Pre-clinical	• Pre-clinical studies ongoing

ETC-1002

ETC-1002 is a novel, first in class, orally available, once-daily LDL-C lowering small molecule therapy with unique dual mechanisms of action that have the potential to regulate both lipid and carbohydrate metabolism. ETC-1002 is differentiated from statins because it acts at an earlier step in the cholesterol biosynthetic pathway. ETC-1002 operates through two separate mechanisms of action. ETC-1002 works by inhibiting ATP citrate lyase (ACL) and activating 5'-adenosine monophosphate-activated protein kinase (AMPK). Its regulation of ACL and AMPK is complementary, since both enzymes are known to play significant roles in the synthesis of cholesterol and glucose in the liver. By

inhibiting cholesterol synthesis in the liver, ETC-1002 causes the liver to take up LDL particles from the blood, which reduces blood LDL-C levels.

Although both ETC-1002 and statins reduce LDL-C levels to a similar extent, they do so through distinct mechanisms of action that target different enzymes that are important to the cholesterol synthesis pathway. ETC-1002 has dual mechanisms of action that activate AMPK and inhibit ACL, whereas statins have a mechanism of action that directly inhibits the rate-limiting enzyme, HMG-CoA reductase. Reductions in LDL-C levels resulting from statin therapy are ultimately due to reduced cholesterol synthesis and an increase in the number of LDL receptors in the liver. By inhibiting ACL, ETC-1002 results in LDL-C lowering comparable to statins, and we believe, may be complementary and additive for further lowering of LDL-C when used in combination with statins.

Dr. Newton and his scientific team first discovered ETC-1002 at the original Esperion, and we subsequently acquired its exclusive worldwide rights from Pfizer in 2008. Initially, we intend to seek approval of ETC-1002 as a therapy for patients with elevated levels of LDL-C who are unable to tolerate statin therapy due to muscle pain or weakness. Subsequently, we expect that we will seek approval of ETC-1002 in a broader population of patients who are unable to achieve their LDL-C goals despite being on a statin regimen and therefore remain at an increased risk for cardiovascular disease.

Cardiovascular Disease and Hypercholesterolemia

Cardiovascular disease, which results in heart attacks, strokes and other cardiovascular events, represents the number one cause of death and disability in western societies. The American Heart Association estimates that approximately 800,000 deaths in the United States were caused by cardiovascular disease in 2009.

Elevated LDL-C is well-accepted as a significant risk factor for cardiovascular disease and the CDC estimates that 71 million U.S. adults have elevated levels of LDL-C. A consequence of elevated LDL-C is atherosclerosis, which is a disease that is characterized by the deposition of excess cholesterol and other lipids in the walls of arteries as plaque. The development of atherosclerotic plaques often leads to cardiovascular disease. The risk relationship between elevated LDL-C and cardiovascular disease was first defined by the Framingham Heart Study, which commenced in 1948 to define the factors that contributed to the development of cardiovascular disease. The study enrolled participants who did not have any form of cardiovascular disease and followed them over a long period of time. Elevated LDL-C and elevated blood pressure were identified early on as key risk factors for the eventual development of cardiovascular disease.

The hypothesis that lowering elevated levels of LDL-C would translate into reduced risk of cardiovascular disease was first proven in 1984 with the publication of the Lipid Research Clinics Coronary Primary Prevention Trial. In this study, treatment with cholestyramine, a bile acid sequestrant, showed a 20% reduction in LDL-C and, importantly, a 19% reduction in risk of cardiovascular disease death or nonfatal myocardial infarction, or heart attack. This was the first major clinical study to demonstrate a direct relationship between lowering LDL-C levels and reduced risk of major cardiovascular events.

The first marketed statin, lovastatin, was approved for use in the United States in 1987 based on its ability to significantly lower elevated LDL-C levels. That same year, the National Cholesterol Education Program issued its first guidelines for the diagnosis and treatment of patients with hypercholesterolemia. Over the subsequent 20 years, seven more statins were approved for use to lower elevated LDL-C levels.

In 1994, the first clinical outcomes study with a statin was published. This study demonstrated a significant reduction in risk for total mortality and major cardiovascular events. A series of additional clinical outcomes studies with statins have each shown that lowering elevated LDL-C translated into

reduced major cardiovascular events. The relationship between the extent of LDL-C lowering and reduction in cardiovascular risk appeared to be linear, which has supported a "lower is better" hypothesis. This hypothesis was tested and proven in the PROVE-IT (Pravastatin or Atorvastatin Evaluation and Infection Therapy) study where an on-treatment LDL-C level of 62 mg/dL associated with atorvastatin treatment translated into a statistically significant 16% reduction in risk of major cardiovascular events as compared with the 95 mg/dL on-treatment LDL-C level associated with pravastatin.

The direct relationship between lower LDL-C levels and reduced risk for major cardiovascular events has been consistently demonstrated for more than a decade in 14 clinical trials involving more than 90,000 patients. As a result, physicians are highly focused on lowering LDL-C levels in their patients, and we believe there is a trend towards even more aggressive LDL-C lowering. For example, in the United States, increasing attention has been placed on aggressive LDL-C management by organizations such as the National Cholesterol Education Program, or NCEP, the American Heart Association, and the American College of Cardiology. Additionally, both the Canadian Cardiovascular Society and the Joint British Societies have supported even lower LDL-C treatment targets for high-risk patients. This has led to the combination of statins with other treatments, such as Zetia.

In July 2004, the NCEP issued an update to its Adult Treatment Panel III (ATP III) clinical practice guidelines on cholesterol management, advising physicians to consider new, more intensive treatment options for people at very high risk, high risk and moderately high risk for cardiovascular disease. The LDL-C goals in these updated clinical practice guidelines, which are presented below, contemplate initiating drug therapy at lower LDL-C thresholds, expanding the number of potential patients for LDL-C lowering therapy.

NCEP ATP III Clinical Practice Guidelines

Patient Cardiovascular Disease Risk	LDL-C Goal
Very High Risk	< 70 mg/dL
Cardiovascular Disease and Cardiovascular Disease Risk Equivalent	< 100 mg/dL
Multiple (2+) Risk Factors	< 130 mg/dL
0-1 Risk Factor	< 160 mg/dL

We believe LDL-C treatment targets will continue to evolve. For example, in 2011, the European Society of Cardiology and the European Atherosclerosis Society published updated guidelines for the treatment of patients with lipid disorders. In patients at the highest level of risk, the goal of therapy is less than 70 mg/dL or greater than 50% lowering of LDL-C when the goal of less than 70 mg/dL cannot be reached.

Currently Approved Therapies

The following table illustrates common therapies used to treat hypercholesterolemia:

Class of Therapy	Labeled Indication	Average LDL-C Change from Baseline	Key Side Effects
Statins	Reduction in LDL-C	Up to 63%	• Skeletal muscle effects (e.g., myopathy and rhabdomyolysis) • FDA recently warned that people being treated with statins may have an increased risk of raised blood sugar levels and the development of type 2 diabetes
Fixed combination therapies	Reduction in LDL-C	Up to 63%	• Includes a statin as one of the underlying therapies and therefore contains the same side effects outlined above
Bile acid sequestrants	Reduction in LDL-C(1)	Up to 20%	• Gastrointestinal disorders
Cholesterol absorption inhibitors	Reduction in LDL-C	Up to 18%	• Limited
Niacin	Reduction in LDL-C; Reduction in recurrent myocardial infarction	Up to 17%	• Flushing (i.e., warmth or redness) hepatic toxicity and skeletal muscle effects
Fibrates	Reduction in triglycerides and LDL-C	Up to 21%	• Gallstones, skeletal muscle effects and liver disorders

(1) Welchol, a bile acid sequestrant, is also approved for improving glycemic control in adults with type 2 diabetes.

Other Approved Therapies for Specific Populations

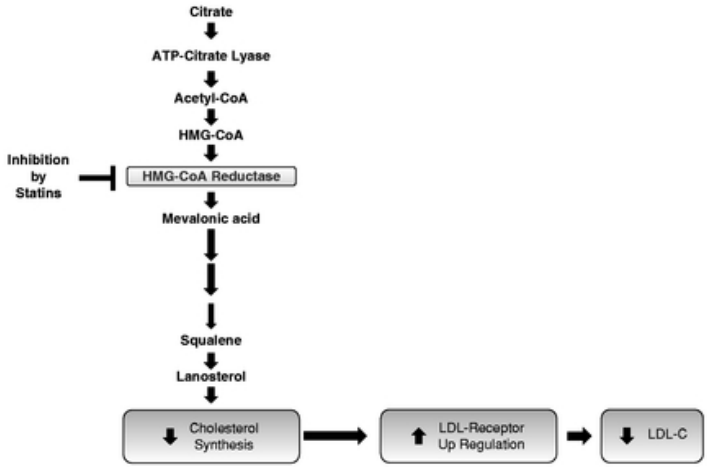
A small subpopulation of patients with extremely elevated levels of LDL-C, estimated to be approximately 300 patients in the U.S., suffer from homozygous familial hypercholesterolemia, or HoFH. HoFH is a serious and rare genetic disease and patients with HoFH lack or have dysfunctional receptors and as a result, cannot remove LDL particles and LDL-C from the blood. As a result, untreated HoFH patients typically have LDL-C levels in the range of 450 mg/dL to 1,000 mg/dL. MTP inhibitors and ApoB antisense drugs are approved therapies to treat patients with a clinical or laboratory diagnosis of HoFH. Given the serious safety concerns with these therapies, specifically hepatotoxicity, the FDA has restricted their usage to this narrow subpopulation.

Statin Therapy

Statins are the cornerstone of lipid treatment today and are highly effective at lowering LDL-C. This class of drugs includes atorvastatin calcium, marketed as Lipitor®, the most prescribed LDL-C drug in the world and the best-selling pharmaceutical in history. Approximately 25% of Americans over the age of 45 from 2005 to 2008 were treated for elevated LDL-C levels with a statin therapy, according to a National Health and Nutrition Examination Survey.

Statins are selective, competitive inhibitors of HMG-CoA reductase, a rate-limiting enzyme in the cholesterol biosynthesis pathway, and work primarily in liver cells. Statin inhibition of cholesterol synthesis increases the number of LDL receptors on the surface of liver cells. This increase in LDL receptors enhances uptake of LDL particles into liver cells from the circulation, thus lowering LDL-C levels.

An illustration of a statin's mechanism of action is as follows:



The benefits of statin use in lowering LDL-C levels and improving cardiovascular outcomes are well documented. Despite the effectiveness of statins and their broad market acceptance, there is a significant subset of patients who are unable to tolerate statins due to muscle pain or weakness, memory loss or increased glucose levels, or who are otherwise unable to reach their LDL-C goal on statin therapy alone. In rare but extreme cases, statins can lead to muscle breakdown, kidney failure and death. In addition, the FDA has recently warned that statins can cause hyperglycemia, an increase in blood sugar levels and create an increased risk of worsening of glycemic control and of new onset diabetes. There are approximately 37 million U.S. adults with elevated LDL-C levels who are not on an LDL-C lowering therapy. For these reasons, we believe there is a need for novel therapies to treat patients with hypercholesterolemia.

Statin Intolerance—Initial Market Opportunity for ETC-1002

We are initially pursuing the clinical development of ETC-1002 as a therapy for patients with hypercholesterolemia who are statin intolerant. Based upon our communications with the FDA, we define statin intolerance as the inability to tolerate at least two statins, one of which was taken at the lowest approved dose, due to skeletal muscle pain, aches, weakness or cramping, that manifested or increased during statin therapy and stopped upon the discontinuation of statin usage.

Patient adherence to statin therapy is suboptimal. Various studies estimate that more than 50% of patients stop taking statins within one year of initiating treatment. Not surprisingly, poor statin adherence is associated with worse cardiovascular outcomes. Although several reasons are cited for poor adherence, muscle pain or weakness is the most common side effect experienced by statin users and the most common cause for discontinuing therapy.

According to the USAGE survey, an approximately 10,000 patient academic study of current and former statin users published during 2012 in the Journal of Clinical Lipidology, 12% of patients on statins discontinue therapy and 62% of these patients cited side effects as the reason for discontinuation. More than 86% of patients who discontinued therapy because of side effects cited muscle pain or weakness as the reason. Based upon these data, approximately 6% of statin users, or more than 2 million adults in the United States, ceased therapy because of muscle pain or weakness and are therefore statin intolerant.

Moreover, a significant proportion of patients remain on statin therapy despite experiencing muscle-related side effects. The rate of occurrence in the clinical setting, as highlighted by the USAGE survey, is significantly higher than the up to 5% rate reported by subjects in the controlled environment of clinical trials. The USAGE survey reported that 25% of patients currently on statins have muscle-related side effects. Similarly, a study published in the Journal of General Internal Medicine in August 2008 estimated that up to 20% of statin-treated patients in clinical practice complained of muscle pain. Accordingly, we believe that in the presence of a safe and efficacious non-statin, oral, once-daily, small molecule LDL-C lowering therapy, the statin intolerant market could grow substantially.

Available data suggest there are two therapies prescribed most frequently for statin intolerant patients. Neither of these therapies is as effective at lowering LDL-C levels as statins. The following table summarizes what we believe to be the two most prescribed therapies available for statin intolerant patients in the United States along with their corresponding 2012 sales:

Approved Drug	Class of Therapy	2012 U.S. Sales			Average LDL-C Change from Baseline
		Total	Stain Intolerant Population (estimate)		
			% of Total	$	
Zetia	Cholesterol absorption inhibitors	$1.3 billion	50%	$650 million	Up to 18%
Welchol	Bile acid sequestrants	$382 million	45%	$170 million	Up to 20%

Cholesterol absorption inhibitors and bile acid sequestrants each have a mechanism of action that is different from that of a statin, thereby providing an alternative for patients that are intolerant to statins. While these therapies generally lack the muscle pain and weakness side effect commonly associated with statins, these therapies only result in modest LDL-C reductions. We believe these modest LDL-C lowering capacities are often insufficient for most hypercholesterolemic patients to reach their LDL-C goals.

Residual Risk Patients—Subsequent Market Opportunity for ETC-1002

In addition to developing ETC-1002 for the treatment of statin intolerant patients, we expect to continue to develop ETC-1002 as an add-on therapy for hypercholesterolemic patients who are unable to reach their recommended LDL-C goals despite the use of statin therapy. The severity of hypercholesterolemia in these patients, their level of residual cardiovascular disease risk and their therapeutic options all vary widely.

A small portion of residual risk patients, particularly those with HoFH, have LDL-C levels in the range of 450 mg/dL to 1,000 mg/dL. At the other end of the spectrum, a small segment of residual risk patients could potentially achieve their LDL-C goal with modest changes to diet and exercise.

We believe the overwhelming majority of residual risk patients have LDL-C levels between these two extreme ranges and would benefit from additional therapeutic intervention. To avoid any increase in statin dose or, after increasing statin therapy to the patient's maximum tolerated dose, clinicians today often switch patients to fixed combination once-daily, oral small molecule therapies, such as Vytorin (ezetimibe and simvastatin), Advicor (niacin extended release and lovastatin) and Simcor (niacin simvastatin). In 2012, U.S. sales of Vytorin were $760.0 million. A significant number of these patients also receive Zetia or Welchol in addition to their statin, to achieve their LDL-C goal. In 2012, combined U.S. sales of Zetia and Welchol were $1.7 billion.

The CDC estimates that there are approximately 11 million residual risk patients in the United States. Using data from the Centers for Disease Control and Prevention study, "Vital Signs: Prevalence, Treatment, and Control of High Levels of Low-Density Lipoprotein Cholesterol—United States, 1999 – 2002 and 2005 – 2008," we estimate that 70% of the 11 million residual risk patients in the

United States, or 7.7 million people, are within 30% of their LDL-C goal. While there are a number of therapeutic alternatives for residual risk patients, we expect that patients, clinicians and payors will continue to first seek once-daily, oral small molecule therapies which have been the standard of the LDL-C lowering therapy market.

Additional Therapies in Development—PCSK9 Inhibitors

A number of larger biopharmaceutical companies are currently developing a new class of biologic therapies that target proprotein convertase subtilisin/kexin type 9, or PCSK9, an enzyme that binds LDL receptors. These PCSK9 inhibitors, which are still in clinical development, are injectable, fully-human antibodies that are being evaluated as potential therapies to lower LDL-C, including in patients who are statin intolerant or who have residual risk. In July 2012, Sanofi and Regeneron Pharmaceuticals, Inc. announced that they had commenced several Phase 3 clinical trials of SAR236553/REGN727, their PCSK9 inhibitor. Amgen Inc. announced that it expects to commence Phase 3 clinical trials of AMG-145, its PCSK9 inhibitor, in 2013. In monotherapy clinical trials to date, PCSK9 inhibitors have demonstrated significant reductions of LDL-C, up to 51% in monotherapy. The PCSK9 inhibitors, if approved, could be an effective therapeutic alternative for statin intolerant patients or as an add on to, statin therapy. Notwithstanding this efficacy, we believe the adoption of PCSK9 inhibitor therapy by payors, physicians, and patients will be impacted by the higher costs of biologic therapies and the inconvenience of injection therapies.

Clinical Experience

To date, ETC-1002 has been studied in five clinical trials across three separate patient populations: healthy volunteers; patients with elevated LDL-C levels; and patients with type 2 diabetes and elevated LDL-C levels. These clinical trials consisted of two Phase 2a clinical trials and three Phase 1 clinical trials. The individual design and results of each of our completed clinical trials are discussed below.

Completed Clinical Trials

To date, we have completed the following clinical trials of ETC-1002:

Description	Title	Treatment Duration	Subjects	
			Total	Treated
ETC-1002-005	**Phase 2a Proof of Concept Clinical Trial in Patients with Type 2 Diabetes** Placebo-controlled, randomized, double-blind, parallel group, single site clinical trial to evaluate the LDL-C lowering efficacy and safety of ETC-1002 in patients with type 2 diabetes	4 Weeks	60	30
ETC-1002-004	**Phase 1b Multiple-Dose Tolerance Greater Than 120 mg Clinical Trial** Multiple ascending dose clinical trial to evaluate safety, tolerability and pharmacokinetics (PK) of ETC-1002 in doses greater than 120 mg once-daily in healthy subjects	2 Weeks	24	18
ETC-1002-003	**Phase 2a Proof of Concept Clinical Trial in Hypercholesterolemic Patients** Placebo-controlled, randomized, double-blind, parallel group, multicenter clinical trial to evaluate the LDL-C lowering efficacy and safety of ETC-1002 in patients with hypercholesterolemia and either normal or elevated triglycerides	12 Weeks	177	133
ETC-1002-002	**Phase 1b Multiple-Dose Tolerance Clinical Trial** Multiple ascending dose clinical trial to evaluate safety, tolerability, PK and pharmacodynamics (PD) of ETC-1002 in doses of up to 120 mg once-daily in healthy subjects	2 Weeks / 4 Weeks	53	39
ETC-1002-001	**Phase 1a Single-Dose Tolerance Clinical Trial** First-in-human single-dose clinical trial to evaluate safety, tolerability and PK of ETC-1002 in healthy subjects	Single Dose	18	18

Across all these completed clinical trials, ETC-1002 has been well-tolerated and not associated with serious side effects. There have been no serious adverse events, or SAEs, in subjects and patients dosed with ETC-1002, although two SAEs were observed in patients on placebo. To date, no dose-limiting clinical toxicity has been observed in any of our completed clinical trials.

Phase 2a Clinical Trials

ETC-1002-005—Phase 2a Proof of Concept Clinical Trial in Patients with Type 2 Diabetes

ETC-1002-005 was a four week Phase 2a proof-of-concept clinical trial at a single site. This clinical trial was designed to evaluate the LDL-C lowering efficacy and safety of ETC-1002 in patients with type 2 diabetes. One treatment arm was placebo and the other was 80 mg of ETC-1002, once-daily for two weeks, followed by 120 mg of ETC-1002, once-daily for two additional weeks. The key results of this clinical trial are summarized as follows:

Phase 2a Proof of Concept Clinical Trial in Type 2 Diabetic Patients (ETC-1002-005)

Trial Arm	Time Period	Number of Patients	Baseline LDL-C (mg/dL)	Average LDL-C Change from Baseline	p-value
Placebo	Days	30	128	-6%	—
ETC-1002 (80 mg)	1 to 14	29	125	-32%	<0.0001
Placebo	Days	30	128	-4%	—
ETC-1002 (120 mg)	15 to 28	29	125	-43%	<0.0001

- LDL-C levels after four weeks of treatment of ETC-1002, which is the primary endpoint, were reduced by an average of 43% for patients on the 120 mg dose of ETC-1002 compared to an average of 4% for patients dosed with placebo ($p<0.0001$).

- Approximately 80% of the patients were not at their NCEP ATP III LDL-C goal of less than 100 mg/dL at the beginning of the study. Of these, 88% of the patients dosed with ETC-1002 achieved their goal by study end as compared to 4% of patients dosed with placebo ($p<0.0001$).

- hsCRP, a marker of inflammation, was reduced by 41% on the 120 mg dose of ETC-1002 versus 11% on placebo ($p=0.001$).

- HDL-C and triglyceride levels were unchanged in both treatment arms.

- Intensive assessment of glycemic parameters using blood sampling and 24 hour continuous glucose monitoring showed no worsening of blood glucose with ETC-1002 treatment. Treatment with ETC-1002 resulted in modest trends toward improved glycemic control and insulin resistance.

- Non-HDL-C decreased by 32% for patients dosed with ETC-1002 as compared to an increase of 1% for patients dosed with placebo ($p<0.0001$).

- Intensive assessment of blood pressure using 24 hour Ambulatory Blood Pressure Monitoring, or ABPM, showed no increase in blood pressure with ETC-1002 treatment. Most patients had well-controlled blood pressure at the beginning of the study. Nine patients had mildly elevated diastolic ABPM (greater than 80 mmHg) at the beginning of the study. A post hoc analysis of ABPM in the ETC-1002 arm revealed a lowering of diastolic blood pressure of 7.8 mmHg compared to 0.4 mmHg with placebo ($p=0.047$).

ETC-1002-005 Study Design. This Phase 2, randomized, double-blind, placebo-controlled, parallel group clinical trial was conducted at a single site. Patient screening occurred at least 38 days prior to randomization and included a 28 day washout of all glucose- and lipid-regulating drugs and supplements. Sixty eligible patients were randomized to receive with equal probability either ETC-1002 80 mg or placebo once-daily (1:1) for 14 days. Those patients randomized to ETC-1002 were then titrated up to 120 mg once-daily and those patients randomized to placebo continued on placebo through the end of the clinical trial. Patients were confined to the clinical site from the morning of Day (-7) to the morning of Day (29) in order to stabilize diet and lifestyle, monitor safety continuously and complete key efficacy assessments.

ETC-1002-005 Study Population. Sixty patients, 98% of whom were Hispanic or Latino, 62% of whom were male, and the average age of all patients was 56 years.

ETC-1002-005 Safety and Tolerability Profile. No SAEs were observed in patients dosed with ETC-1002. ETC-1002 was safe, well-tolerated and associated with no dose-limiting side-effects. All subjects completed the study except for one patient treated with placebo who withdrew due to an SAE of heart attack. One patient dosed with placebo had an SAE of kidney stones but completed the clinical trial. Headache was reported by six patients dosed with ETC-1002 as compared to three patients dosed with placebo. No patient dosed with ETC-1002 reported myalgia. No patient dosed with ETC-1002 experienced substantial elevations (repeated and confirmed) in liver function tests greater than three times the upper level of normal. No patient dosed with ETC-1002 experienced substantial elevations (repeated and confirmed) of creatine kinase greater than five times the upper limit of normal. Notable changes in group safety lab parameters were not observed with the exception of modest average increases in uric acid and homocysteine and a modest average decrease in alkaline phosphatase. Reductions in hemoglobin were seen in both the ETC-1002 and placebo arms, with a slightly greater effect in ETC-1002 patients. The clinical relevance of these changes are unclear at this time.

ETC-1002-003—Phase 2a Proof of Concept Clinical Trial in Hypercholesterolemic Patients

ETC-1002-003 was a 12-week Phase 2a proof-of-concept study in 177 patients, of whom 133 were dosed with ETC-1002, across 11 participating clinical recruitment sites in the United States. This clinical trial was designed to evaluate the LDL-C lowering efficacy and safety of ETC-1002 versus placebo in patients with hypercholesterolemia (LDL-C of 130 to 220 mg/dL) and either normal (less than 150 mg/dL) or elevated triglycerides (150 to 400 mg/dL). The four arms were placebo and 40 mg, 80 mg and 120 mg doses of ETC-1002 once-daily. The key results of this clinical trial are summarized as follows:

12-Week Phase 2a Proof of Concept Clinical Trial in Hypercholesterolemic Patients (ETC-1002-003)

Trial Arm	Number of Patients	Baseline LDL-C (mg/dL)	Average LDL-C Change from Baseline	p-value
Placebo	42	168	-2%	—
ETC-1002 (40 mg)	42	163	-18%	<0.0001
ETC-1002 (80 mg)	44	170	-25%	<0.0001
ETC-1002 (120 mg)	42	165	-27%	<0.0001

- LDL-C levels were reduced by an average of 18%, 25% and 27% for patients dosed with ETC-1002 40, 80 and 120 mg of ETC-1002, respectively, compared to an average of 2% for patients dosed with placebo ($p<0.0001$). ETC-1002's lowering of LDL-C levels was maintained across a range of baseline triglycerides levels.
- ETC-1002 also lowered corresponding levels of the atherogenic biomarkers, apolipoprotein (apo) B, non-HDL-C and LDL particle number ($p<0.0001$) in a dose-dependent manner.
- Patients dosed with ETC-1002 demonstrated a trend in hsCRP reduction of 20% to 26% compared to 2% in patients dosed with placebo. In a subgroup of patients with elevated hsCRP, patients dosed with ETC-1002 demonstrated a trend in hsCRP reduction of 43% to 64% compared to a decrease of 7% for patients dosed with placebo.
- HDL-C and triglyceride levels were unchanged across all treatment arms.
- Post hoc analyses suggest that ETC-1002 may have favorable effects on other cardiometabolic risk factors, including blood pressure and insulin resistance.

ETC-1002-003 Study Design. This was a Phase 2a, multicenter, randomized, double-blind, placebo-controlled, parallel group clinical trial. Patient screening included a six week washout of all lipid-regulating therapies. Patients were stratified into a normal (less than 150 mg/dL) or elevated (150 to 400 mg/dL) triglyceride stratum and randomized in a 1:1:1:1 ratio to placebo or 40 mg, 80 mg or 120 mg of ETC-1002.

ETC-1002-003 Study Population. 177 patients were enrolled. 86% of patients were caucasian and 55% were male and the average age of all patients was 57 years.

ETC-1002-003 Safety and Tolerability Profile. There were no SAEs observed in patients dosed with ETC-1002. ETC-1002 was safe, well-tolerated and associated with no dose-limiting side-effects. 15% of patients withdrew from the clinical trial for various reasons, the most common being side effects. The number of patients that withdrew from each active treatment arm was comparable to the placebo arm. Myalgia was reported by two patients dosed with ETC-1002 at 40 mg; two patients dosed with ETC-1002 at 80 mg; three patients dosed with ETC-1002 at 120 mg; and in no patients dosed with placebo. Further investigation of the seven ETC-1002 patients reporting myalgia showed that a single patient receiving an 80 mg dose of ETC-1002 withdrew from the clinical trial due to this adverse event while all other patients completed the full 12 weeks of treatment. None of the individuals reporting myalgia experienced concurrent creatine kinase elevations more than two times the upper limit of normal. A single ETC-1002 patient experienced a substantial elevation (repeated and confirmed) in liver function tests more than three times the upper limit of normal. This lab abnormality of greater than four times the upper limit of normal was assessed by the investigator as not related to treatment as it coincided with a confirmed acute cytomegalovirus infection. No patient experienced (repeated and confirmed) creatine kinase greater than five times times the upper limit of normal. Notable changes in group safety lab parameters were not observed with the exception of modest average increases in uric acid and homocysteine and modest average decreases in alkaline phosphatase and hemoglobin, the clinical relevance of which is unclear at this time.

Phase 1 Clinical Trials

Our completed Phase 1 clinical trials of ETC-1002 exposed subjects in one single dose tolerance test and two multiple dose tolerance tests. Our single dose tolerance test dosed subjects with up to 250 mg of ETC-1002. Our multiple dose tolerance tests dosed subjects with up to 120 mg and 220 mg of ETC-1002, respectively. We did not identify any dose-limiting side effects in either the single dose tolerance test or the multiple dose tolerance tests, and ETC-1002 was safe and well-tolerated in each clinical trial. In addition, LDL-C was lowered rapidly in the multiple dose tolerance tests, including in as early as five days, and we observed an average reduction in LDL-C levels of up to 36%.

ETC-1002-004—Phase 1b Multiple Dose Tolerance Greater Than 120 mg Clinical Trial

ETC-1002-004 was a two-week, Phase 1b, multiple dose tolerance clinical trial in 24 subjects, of whom 18 were dosed with ETC-1002. This clinical trial was designed to evaluate the safety and tolerability of escalating, multiple oral doses of ETC-1002 above 120 mg/day. Subjects in this clinical trial received 140, 180, or 220 mg of ETC-1002 or placebo once-daily for 14 days. The key pharmacodynamic results of this clinical trial are as follows:

14-Day Phase 1b Multiple-Dose Tolerance Greater Than 120mg (ETC-1002-004)

Trial Arm	Number of Subjects	Baseline LDL-C (mg/dL)	Average LDL-C Change from Baseline	p-value
Placebo	6	121	+4%	—
ETC-1002 (140 mg)	6	113	-21%	0.0012
ETC-1002 (180 mg)	6	100	-27%	0.0001
ETC-1002 (220 mg)	6	105	-36%	<0.0001

- LDL-C levels were reduced by an average of 36% for subjects dosed with 220 mg/day of ETC-1002 as compared to a 4% increase for subjects dosed with placebo ($p<0.0001$). ETC-1002's effect on LDL-C lowering was robust notwithstanding non-elevated baseline LDL-C levels.

- The pharmacokinetics of ETC-1002 were well-characterized and supported once-daily dosing.

ETC-1002-004 Study Design. This was a Phase 1 single site, randomized, double-blind (sponsor-open), placebo-controlled, ascending, multiple dose clinical trial designed with three ascending cohorts, each with eight healthy subjects. ETC-1002 was dosed once-daily for 14 days and subjects were housed at the clinical site for the duration of their treatment. Each dose group comprised of six subjects who received ETC-1002 and two subjects who received placebo.

ETC-1002-004 Study Population. Subjects in the clinical trial were healthy volunteers. 91.7% of the subjects were male and 83.3% were caucasian and the average age of all subjects was 35.8 years.

ETC-1002-004 Safety and Tolerability Profile. No SAEs were observed in the subjects dosed with ETC-1002. ETC-1002 was safe, well-tolerated and associated with no dose-limiting side-effects. Twenty-four subjects were enrolled and completed treatment in this clinical trial. No ETC-1002 subject reported myalgia or experienced substantial elevations (repeated and confirmed) in liver function tests greater than three times the upper limit of normal. No ETC-1002 subject experienced creatine kinase greater than five times the upper limit of normal. Notable changes in group safety lab parameters were not observed with the exception of a modest average increase in homocysteine, the clinical relevance of which is unclear at this time.

ETC-1002-002—Phase 1b Multiple-Dose Tolerance Clinical Trial

ETC-1002-002 was a staged two-week and four-week Phase 1b multiple dose tolerance clinical trial in 53 subjects with 39 receiving ETC-1002 and 23 receiving placebo. The subjects were divided into four different cohorts of six subjects with each receiving 20, 60, 100 or 120 mg of ETC-1002 or placebo once-daily for 14 days. This was followed by a larger cohort that was treated for 28 days during which subjects lived outside of the clinical site for the duration of their treatment. This clinical trial demonstrated that the pharmacokinetics of ETC-1002 were well characterized and supported once-daily dosing.

The key pharmacodynamic results of this clinical trial are summarized as follows:

Phase 1 Multiple-Dose Tolerance Clinical Trial (ETC-1002-002)

Trial Arm	Treatment Duration	Number of Subjects	Baseline LDL-C (mg/dL)	Average LDL-C Change from Baseline	p-value
Placebo	2-weeks	8	114	+11%	—
ETC-1002 (20 mg)		6	124	+4%	0.2975
ETC-1002 (60 mg)		6	138	-11%	0.0035
ETC-1002 (100 mg)		6	135	-17%	0.0003
ETC-1002 (120 mg)		6	127	-15%	0.0004
Placebo	4-weeks	6	146	-1%	—
ETC-1002 (120 mg)		15	122	-16%	0.0317

ETC-1002-002 Study Design. This was a single-center, randomized, double-blind (sponsor-open), placebo-controlled, ascending, multiple dose clinical trial that was conducted in 32 subjects (Cohorts 1 through 4) and in 21 subjects (Cohort 5) with mildly elevated LDL-C. Subjects in the first four cohorts were housed at the clinical site for the duration of their 14-day treatment whereas subjects in Cohort 5 were housed at the clinical site beginning two days prior to, and through two hours after, their first treatment and then again for the 24-hour period at the end of their 28-day treatment period.

ETC-1002-002 Study Population. Subjects in the clinical trial had baseline LDL-C levels greater than 100 mg/dL. Fifty-two of the fifty-three subjects who enrolled in this clinical trial completed treatment. One subject in Cohort 5 withdrew due to personal reasons. 90.6% of subjects enrolled into this clinical trial were male, 86.8% were caucasian and the average age of all subjects was 39 years.

ETC-1002-002 Safety and Tolerability Profile. No SAEs were observed in the subjects dosed with ETC-1002. ETC-1002 was safe, well-tolerated and associated with no dose-limiting side-effects. No ETC-1002 subject reported myalgia or experienced substantial elevations (repeated and confirmed) in liver function tests greater than three times the upper limit of normal. No ETC-1002 subject experienced creatine kinase greater than five times the upper limit of normal. Notable changes in group safety lab parameters were not observed.

Overall Safety Observations

To date, 238 patients have been treated with ETC-1002 for periods of up to 12 weeks at maximum repeated doses of 220 mg per day. ETC-1002 has been safe and well-tolerated with no dose-limiting side effects identified to date in our ongoing or completed clinical trials. No clinical safety trends have emerged to date although very modest shifts in group mean levels of hemoglobin, uric acid, alkaline phosphatase and homocysteine were identified in some of our completed clinical trials. The clinical relevance of these shifts are not readily apparent and will be monitored in our future clinical trials.

Ongoing and Planned Clinical Trials

Statin Intolerant Population (ETC-1002-006 and ETC-1002-008)

The Phase 2 component of the statin intolerance clinical development program consists of two clinical trials, one of which is ongoing and one of which we expect to initiate in the third quarter of 2013.

ETC-1002-006

This ongoing clinical trial is designed to evaluate the LDL-C lowering effect of ETC-1002 in a statin intolerant population. This clinical trial enrolled 56 patients with a history of statin intolerance to two or more statins and randomized them to ETC-1002 or placebo in a 2:1 randomized fashion where 36 patients are dosed with ETC-1002 and 18 patients are dosed with placebo. The primary endpoint of this clinical trial is LDL-C lowering. Patients will be dosed up to eight weeks in a forced titration schema of 60 mg, 120 mg, 180 mg and 240 mg doses for two weeks each. We expect to report top-line data for this clinical trial in June 2013. We will also assess the safety and tolerability of ETC-1002.

ETC-1002-008

We expect ETC-1002-008 will be a 12-week study for the treatment of elevated LDL-C levels in patients who are statin intolerant. The purpose of this clinical trial will be to inform dosing for our pivotal Phase 3 clinical trial in a population of statin intolerant patients with hypercholesterolemia. We currently expect that ETC-1002-008 will utilize two or three doses of ETC-1002 in a parallel group design up to 12 weeks in duration, with Zetia, a common treatment for statin intolerance, as a comparator. The goal will be to demonstrate comparable tolerability with superior efficacy to Zetia for the treatment of patients with elevated LDL-C levels and intolerance to two or more statins due to muscle-related adverse events. We expect to initiate ETC-1002-008 in the third quarter of 2013.

Residual Risk Population (ETC-1002-007 and ETC-1002-009)

The objective of this statin add-on clinical program will be to provide two clinical trials to support Phase 3 dosing of the compound in residual risk patients. A Phase 3 clinical trial in this patient population is not currently planned and will likely commence as a supplemental indication if results from Phase 3 clinical trials for the statin intolerant indication support the filing of an NDA for that indication.

ETC-1002-007

This ongoing clinical trial is designed to test for pharmacokinetic interaction between ETC-1002 and the 10 mg dose of atorvastatin calcium. This clinical trial targeted enrollment of 52 patients. Individuals were placed on atorvastatin calcium (10 mg) for four weeks to achieve steady state levels. Patients were then randomized in a 3:1 ratio of active ETC-1002 treatment to placebo for eight weeks. During this clinical trial, patients will be dosed up to eight weeks in a forced titration schema of 60 mg, 120 mg, 180 mg and 240 mg doses for two weeks each. We will assess patients for blood levels of atorvastatin and ETC-1002, safety, tolerability and LDL-C lowering.

ETC-1002-009

We expect ETC-1002-009 will be a 12-week study for the treatment of patients on statin therapy who are at a residual risk for cardiovascular disease because of elevated LDL-C levels. Many hypercholesterolemic on statin therapy patients do not achieve NCEP ATP-III LDL-C cholesterol goals. In addition, many statin-treated patients are not able to achieve high enough doses due to side effects. We are designing ETC-1002-009 to establish a dose range for ETC-1002 in an additive manner to patients on current statin therapy. The goal will be to demonstrate that ETC-1002, when added onto

statin therapy, will improve LDL-C goal achievement. We expect to initiate ETC-1002-009 in the fourth quarter of 2013.

Additional Regulatory Studies

Phase 3 Clinical Trials

If we successfully complete the Phase 2b clinical trials of ETC-1002 for which we intend to commence enrollment during 2013, we will use the results of these clinical trials to inform dosing for our pivotal Phase 3 clinical trials. We will conduct these pivotal Phase 3 clinical trials in larger patient populations to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical trial sites. Any such Phase 3 clinical trials and the additionally required long-term safety study, would be intended to establish the overall risk/benefit ratio of ETC-1002 and to provide an adequate basis for regulatory approval of ETC-1002.

Cardiovascular Outcomes Study

We believe it is well-accepted that every 1.6 mg/dL lowering of LDL-C through the cholesterol synthesis pathway results in a 1% lowering of cardiovascular disease risk. To date, the FDA has not required any approved therapy targeting LDL-C lowering, including non-statin therapies, to initiate or complete a cardiovascular outcomes study in connection with its approval. ETC-1002 inhibits cholesterol synthesis and lowers LDL-C through liver-specific inhibition of ACL at an earlier step in the cholesterol biosynthesis pathway that is upstream from HMG Co-A reductase, the target for statins. Because of this mechanism of action to lower LDL-C in the cholesterol synthesis pathway, we believe it is unlikely that the FDA will require us to initiate or complete a cardiovascular outcomes study as a condition to our initially seeking approval of ETC-1002 as a therapy to lower LDL-C in the narrow indication of patients who suffer from hypercholesterolemia and are unable to tolerate statin therapy. Notwithstanding our current expectations, the FDA could require us to initiate or complete a cardiovascular outcomes study as a condition to filing or approving an NDA for ETC-1002 or as a post-approval requirement. Any such study, if required, would be costly and time-consuming and, regardless of the outcome, would involve substantial costs and adversely affect our development timeline.

Studies in Response to Partial Clinical Holds

In 2009, the FDA determined that ETC-1002 was a potential peroxisome proliferator activated receptor, or PPAR, agonist and as a result was subject to a partial clinical hold. The FDA has issued such notices to all sponsors of PPARs or agents deemed to have PPAR-like properties. The partial clinical hold permits clinical trials of up of to six months' duration for ETC-1002 and also requires us to conduct two year rat and mouse carcinogenicity studies before initiating Phase 3 clinical trials of longer than six months. Our two year rat and mouse carcinogenicity studies are scheduled for completion by April and May 2014 and draft reports will be issued six months later.

The clinical data to date appear to demonstrate the absence of PPAR mediated pharmacology (triglyceride decreases, adiponectin increases, mild ALT increases) or toxicity (weight gain, edema, creatinine kinase/creatinine increases) in humans. This is supportive of the conclusion that the weak PPAR alpha/gamma activities observed in animal models preclinically are not observed with therapeutic doses of ETC-1002 in humans. These effects will continue to be monitored in our future clinical program. Most importantly, our clinical studies have demonstrated rapid and significant LDL-C lowering consistent with the dual mechanisms of action inhibiting ATP-citrate lyase and activating hepatic AMPK.

In addition, based upon early preclinical toxicology results, the FDA has limited our ability to dose ETC-1002 above 240 mg in our clinical trials. Currently, we do not expect to dose ETC-1002 above 240 mg.

If we are unable to address FDA's concerns related to the partial clinical hold, we could be delayed in, or prevented from, obtaining marketing approval of ETC-1002. Additionally, FDA could raise these concerns as part of the NDA review process for ETC-1002, which could result in adverse limitations in any approved labeling or on distribution and use of ETC-1002, if approved.

Pharmacology and Toxicology Studies

Our pre-clinical studies of ETC-1002 have demonstrated favorable effects on plasma LDL-C and triglycerides, blood pressure, blood glucose and insulin levels, inflammation and weight gain in diet-induced and genetic pre-clinical models of dyslipidemia, diabetes, and obesity. In a progression model of atherosclerosis using a LDL-receptor deficient mouse model, ETC-1002 demonstrated reductions in atherosclerotic plaque content and size with beneficial changes in inflammatory markers.

Mechanism of Action

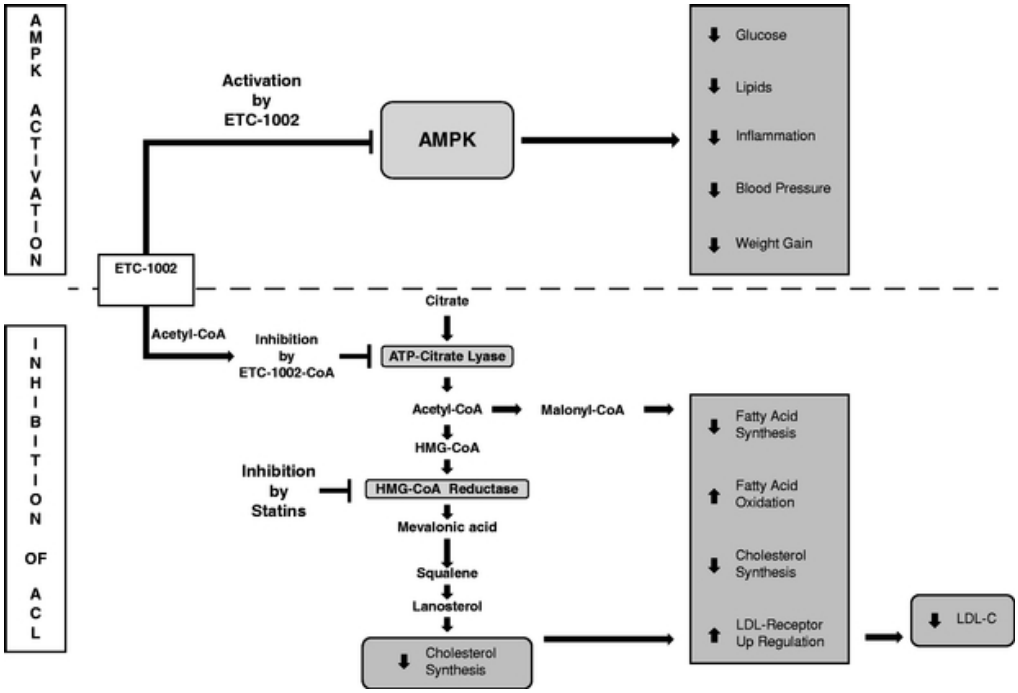
ETC-1002 is dosed orally, absorbed rapidly in the small intestine and enters the liver through cell surface receptors different from those transporters that selectively take up statins. In a small portion of the population that has genetically impaired organic anion transporters, statins are unable to enter the liver and as a result accumulate in the blood, ultimately concentrating in the muscles. These deposits lead to muscle pain and weakness. In addition, some patients without impaired organic anion transporters still experience muscle pain and weakness due to increased levels of statin in the blood on higher doses of statins. Importantly, impaired organic anion transporters do not lead to increased levels of ETC-1002 circulating in the blood or the muscle pain or weakness associated with statins.

Once in the liver, ETC-1002 inhibits ACL and activates AMPK. Pre-clinical studies show that in the liver, ETC-1002 is converted to a derivative coenzyme, or ETC-1002-CoA, which directly inhibits ACL, a key enzyme that supplies substrate for cholesterol and fatty acid synthesis, as well as glucose production in the liver.

ETC-1002's activation of AMPK complements the effects of hepatic ACL inhibition and contributes to the beneficial effects on other cardiometabolic risk factors including hsCRP, insulin sensitization, blood pressure and weight. While the relative contributions of ACL inhibition and AMPK activation are not yet known, improvements in these other cardiometabolic risk factors are consistent with these mechanisms. This dual mechanism of action has the potential to regulate metabolic imbalances in both the lipid and carbohydrate metabolic pathways, which do not function normally in

specific patient populations with specific cardiometabolic risk factors. An illustration of ETC-1002's mechanism of action and therapeutic effects on cardiometabolic risk factors is as follows:

ACL-Dependent Inhibition of Hepatic Cholesterol Synthesis (a statin-like mechanism) and AMPK Activation



Early-Stage Product Candidates

ESP41091

We acquired the exclusive worldwide rights to ESP40191 from Pfizer in April 2008. ESP41091, our second product candidate, is a pre-IND compound that we are exploring as a therapy for type 2 diabetes and obesity. In pre-clinical pharmacology studies, oral intervention with ESP41091 resolved hyperglycemia and reduced body weight following a four week treatment in a diet-induced obese mouse model of insulin resistance. Treatment with ESP41091 also resulted in beneficial effects on lipid metabolism and body weight in obese Zucker rats.

4WF

Our management team has prior success in the identification and clinical development of synthetic HDL therapies. At the original Esperion, we licensed apoA-I Milano, a synthetic HDL therapy, and successfully completed a Phase 2a clinical trial showing regression of atherosclerosis in high-risk acute coronary syndrome patients after four weeks of therapy. In June 2011, we acquired the exclusive worldwide rights to 4WF from the Cleveland Clinic Foundation. 4WF is a next generation synthetic HDL therapy designed to preserve the function of HDL and its primary apolipoprotein, apoA-I, and to deliver oxidation-resistant synthetic HDL therapy via an injection as opposed to intravenous infusion. Moreover, recent research demonstrates that HDL becomes dysfunctional and loses its cholesterol acceptor and anti-inflammatory activity through myeloperoxidase mediated enzymatic oxidation. We believe the preferred means to improve HDL function is to increase the number and activity of HDL

particles in the body through HDL therapy. We believe our initial in vitro protein screening and characterization suggest the benefits of 4WF as an optimized myeloperoxidase oxidation-resistant apoA-I mimetic.

Sales and Marketing

Given our stage of development, we have not yet established a commercial organization or distribution capabilities, nor have we entered into any partnership or co-promotion arrangements with an established pharmaceutical company. To develop the appropriate commercial infrastructure to launch ETC-1002 in the United States, if approved, as a treatment for elevated levels of LDL-C in statin intolerant patients, we would need to invest significant financial and managerial resources. We may engage in partnering discussions with third parties from time to time. If we elect to seek approval and launch commercial sales of ETC-1002 outside of the United States or for broader patient populations in the United States, including residual risk patients who are unable to reach their LDL-C goal with a statin therapy, we may either do so on our own or by establishing alliances with one or more pharmaceutical company collaborators, depending on, among other things, the applicable indications, the related development costs and our available resources.

Manufacturing and Supply

ETC-1002 is a small molecule drug that is synthesized with readily available raw materials using conventional chemical processes. We currently have no manufacturing facilities and limited personnel with manufacturing experience. We rely on contract manufacturers to produce both drug substances and drug products required for our clinical trials. All lots of drug substance and drug product used in clinical trials are manufactured under current good manufacturing practices. We plan to continue to rely upon contract manufacturers and, potentially, collaboration partners to manufacture commercial quantities of ETC-1002, if approved.

Licenses

In April 2008, we entered into a license agreement with Pfizer pursuant to which we obtained a worldwide, exclusive, fully paid-up license from Pfizer to certain patent rights owned or controlled by Pfizer relating to ETC-1002, and we granted Pfizer a worldwide, exclusive, fully paid-up license to certain patent rights owned or controlled by us relating to development programs other than ETC-1002. The license to us covers the development, manufacture and commercialization of ETC-1002. We may grant sublicenses under the license. Under the license agreement, Pfizer is restricted from making, using, developing or testing any of the compounds claimed under the same patents that claim or cover the composition of matter of ETC-1002. Neither party is entitled to any royalties, milestones or any similar development or commercialization payments under the license agreement, and the licenses granted are irrevocable and may not be terminated for any cause, including intentional breaches or breaches caused by gross negligence.

Intellectual Property

We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking and maintaining patents intended to cover our products and compositions, their methods of use and any other inventions that are important to the development of our business. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. We also rely

on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain the proprietary position of ETC-1002 and our other development programs.

As of April 30, 2013, our patent estate, including patents we own or license from third parties, on a worldwide basis, included approximately 15 issued United States patents and 6 pending United States patent applications and 6 issued patents and 25 pending patent applications in other foreign jurisdictions. Of our worldwide patents and pending applications, only a subset relates to our small molecule program which includes our lead product candidate, ETC-1002. ETC-1002 is claimed in U.S. Patent No. 7,335,799 that is scheduled to expire in December 2025, which includes 711 days of patent term adjustment, and may be eligible for a patent term extension period of up to 5 years. At least one pending United States patent application claims a method of treatment using ETC-1002. There are currently three issued patents and four pending applications in countries outside the United States that relate to ETC-1002.

A second subset of this portfolio relates to our early-stage product candidate ESP41091. ESP41091 is claimed in U.S. Patent Nos. 7,119,221 and 7,405,226. Various methods of treatment using ESP41091 are claimed in U.S. Patent Nos. 8,153,690 and 8,309,604 and in at least one other pending application in the United States. There are currently two issued patents and four pending applications in countries outside the United States that relate to ESP41091.

Our 4WF patent portfolio currently consists of 19 issued patents and pending patent applications in the United States and other foreign jurisdictions regarding apolipoprotein mixtures, dimeric oxidation-resistant apolipoprotein variants and oxidant resistant apolipoprotein A1 variants and mimetic peptides thereof.

We hold an exclusive, worldwide, fully paid-up license from Pfizer to some of these patents and patent applications. This license is described above.

In addition, only a subset of our worldwide patents and pending patent applications relates to our third drug candidate Apolipoprotein A1-4WF. Apolipoprotein A1-4WF is claimed in United States Patent No. 8,143,224B2. United States Patent No. 8,143,224 is set to expire on July 12, 2030. In addition, various methods of treatment using Apolipoprotein A1-4WF are claimed in United States Patent Application Publication No. 2012/0264677. There are approximately 15 pending patent applications in countries outside the United States that relate to Apolipoprotein A1-4WF and its use in various methods of treatment.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing the non-provisional application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. However, the restoration period cannot be longer than five years and the total patent term including the restoration period must not exceed 14 years following FDA approval. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also twenty years from the earliest effective filing date. Our issued patents will expire on dates ranging from 2021 to 2030. However, the actual protection afforded by a patent varies on a claim by claim basis for each applicable product, from country to country and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Furthermore, the patent positions of biotechnology and pharmaceutical products and processes like those we intend to develop and commercialize are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the breadth of claims allowed in such patents has

emerged to date in the U.S. The patent situation outside the U.S. is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the U.S. and other countries can diminish our ability to protect our inventions, and enforce our intellectual property rights and more generally, could affect the value of intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to maintain and solidify our proprietary position for our drugs and technology will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of the patent applications that we may file or license from third parties will result in the issuance of any patents. The issued patents that we own or may receive in the future, may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize similar drugs or duplicate our technology, business model or strategy without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drugs can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

As a result of the America Invents Act of 2011, the United States transitioned to a first-inventor-to-file system in March 2013, under which, assuming the other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent. This will require us to minimize the time from invention to the filing of a patent application.

We may rely, in some circumstances, on trade secrets and unpatented know-how to protect our technology. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our consultants, scientific advisors and contractors and invention assignment agreements with our employees. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information, please see "Risk Factors—Risks Related to our Intellectual Property."

Our commercial success will also depend in part on not infringing the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies, or our drugs or processes, obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future drugs may have a material adverse impact on us. If third parties prepare and file patent applications in the U.S. that also claim technology to which we have rights, we may have to participate in interference proceedings in the U.S. Patent and Trademark Office, or USPTO, to determine priority of invention.

In addition, substantial scientific and commercial research has been conducted for many years in the areas in which we have focused our development efforts, which has resulted in third parties having a number of issued patents and pending patent applications. Patent applications in the U.S. and elsewhere are published only after eighteen months from the priority date. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made. Therefore, patent applications relating to drugs similar to ETC-1002 and any future drugs, discoveries or technologies we might develop may have already been filed by others without our knowledge.

Competition

Our industry is highly competitive and subject to rapid and significant technological change. Our potential competitors include large pharmaceutical and biotechnology companies, specialty pharmaceutical and generic drug companies, academic institutions, government agencies and research institutions. Key competitive factors affecting the commercial success of our product candidates are likely to be efficacy, safety and tolerability profile, reliability, convenience of dosing, price and reimbursement.

The market for cholesterol regulating therapies is especially large and competitive. The product candidates we are currently developing, if approved, will face intense competition, either as monotherapies or as combination therapies.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a small number of our competitors. Accordingly, our competitors may be more successful than we may be in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective, or more effectively marketed and sold, than any drug we may commercialize and may render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. We anticipate that we will face intense and increasing competition as new drugs enter the market and advanced technologies become available. Finally, the development of new treatment methods for the diseases we are targeting could render our drugs non-competitive or obsolete. See "Risk Factors—Risks Related to our Business and the Clinical Development and Commercialization of ETC-1002—Our market is subject to intense competition. If we are unable to compete effectively, our opportunity to generate revenue from the sale of ETC-1002, if approved, will be materially adversely affected," and elsewhere in this prospectus for more information regarding competitors and competitive products.

Regulatory Matters

Government Regulation and Product Approval

Government authorities in the United States at the federal, state and local level, and other countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing, export and import of products such as those we are developing. Our product candidates, including ETC-1002, must be approved by the FDA through the new drug application, or NDA, process before they may legally be marketed in the United States.

United States Drug Development Process

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and implementing regulations. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The process

required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of non-clinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to Good Clinical Practices, or GCP, to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of an NDA for a new drug;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with cGMP; and
- FDA review and approval of the NDA.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Once a pharmaceutical product candidate is identified for development, it enters the non-clinical, also referred to as pre-clinical, testing stage. Non-clinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. An IND sponsor must submit the results of the non-clinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND. The sponsor must also include a protocol detailing, among other things, the objectives of the initial clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the initial clinical trial lends itself to an efficacy evaluation. Some non-clinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the clinical trial on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical trials due to safety concerns or non-compliance, and may be imposed on all drug products within a certain class of drugs. The FDA also can impose partial clinical holds, for example prohibiting the initiation of clinical trials of a certain duration or for a certain dose.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCP regulations. These regulations include the requirement that all research subjects provide informed consent. Further, an institutional review board, or IRB, must review and approve the plan for any clinical trial before it commences at any institution. An IRB considers, among other things, whether the risks to individuals participating in the clinical trial are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical trial and the consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed.

Each new clinical protocol and any amendments to the protocol must be submitted to the IND for FDA review, and to the IRBs for approval. Protocols detail, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- *Phase 1.* The product is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing may be conducted in patients.

- *Phase 2.* Involves clinical trials in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.

- *Phase 3.* Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events. Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

The results of product development, non-clinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the drug proposed labeling and other relevant information, are submitted to the FDA as part of an NDA for a new drug, requesting approval to market the product. The submission of an NDA is subject to the payment of a substantial user fee; a waiver of such fee may be obtained under certain limited circumstances. For example, the agency will waive the application fee for the first human drug application that a small business or its affiliate submits for review.

In addition, under the Pediatric Research Equity Act of 2003, or PREA, an NDA or supplement to an NDA must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers.

The FDA reviews all NDAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be re-submitted with the additional information.

The re-submitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. An advisory committee is a panel of experts who provide advice and recommendations when requested by the FDA on matters of importance that come before the agency. The FDA is not bound by the recommendation of an advisory committee.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA in its present form. The complete response letter usually describes all of the specific deficiencies that the FDA identified in the NDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require Phase 4 testing which involves clinical trials designed to further assess a drug's safety and effectiveness after NDA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restorations of patent term for some of our currently owned or licensed patents to add patent life beyond their current expiration dates, depending on the expected length of the

clinical trials and other factors involved in the filing of the relevant NDA, however there can be no assurance that any such extension will be granted to us.

Market exclusivity provisions under the FDCA can also delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the non-clinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of exclusivity in the United States. Pediatric exclusivity, if granted, provides an additional six months to an existing exclusivity or statutory delay in approval resulting from a patent certification. This six-month exclusivity, which runs from the end of other exclusivity protection or patent delay, may be granted based on the voluntary completion of a pediatric clinical trial in accordance with an FDA-issued "Written Request" for such a clinical trial.

Post-Approval Requirements

Any drugs for which we receive FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising requirements. The FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers of drugs must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Drug manufacturers and other entities involved in the manufacturing and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the drug. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory standards, and test each product batch or lot prior to its release. We rely, and expect to continue to rely, on third parties for the production of clinical quantities of our product candidates. Future FDA and state inspections may identify compliance issues at the facilities of our contract

manufacturers that may disrupt production or distribution or may require substantial resources to correct.

The FDA may withdraw a product approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, warning letters, holds on clinical trials, product recalls or seizures, product detention or refusal to permit the import or export of products, refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions or civil or criminal penalties.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, the FDA regulations and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and our product candidates. It is impossible to predict whether further legislative or FDA regulation or policy changes will be enacted or implemented and what the impact of such changes, if any, may be.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our product candidates to the extent we choose to sell any products outside of the United States. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

Employees

As of April 30, 2013, we had 13 full-time employees and no part-time employees. Two of our employees have Ph.D. degrees. Nine of our employees are engaged in research and development activities. None of our employees is represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

We lease our facility, which is located at 46701 Commerce Center Drive, Plymouth, Michigan and consists of approximately 2,083 square feet of office and 4,867 square feet of laboratory space. Our lease expires October 2, 2013, and we have an option to extend it through October 2018 and then again through October 2023. We believe our facility is sufficient to meet our needs until the expiration of our lease.

Legal Proceedings

We are not currently a party to any material legal proceedings.

MANAGEMENT

Directors and Executive Officers

The following table presents our directors and executive officers and their respective ages and positions as of April 30, 2013:

Name	Age	Position
Roger S. Newton, Ph.D., FAHA	62	Executive Chairman, Chief Scientific Officer and Director
Patrick G. Enright	51	Director
Dov A. Goldstein, M.D.	45	Director
Daniel Janney	47	Director
Louis G. Lange, M.D., Ph.D.	64	Director
Nicole Vitullo	55	Director
Tim M. Mayleben	52	President, Chief Executive Officer and Director
Noah L. Rosenberg, M.D.	46	Chief Medical Officer
Troy A. Ignelzi	45	Vice President—Business Development

(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.

(3) Member of the Nominating and Corporate Governance Committee.

Directors

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

Patrick G. Enright became a member of our board of directors in connection with Longitude Capital's purchase of 12,000,000 shares of Series A preferred stock in April 2013. He is a founder of Longitude Capital Management Co., LLC, a venture capital firm focused on investments in biotechnology and has served as its Managing Director since 2007. From 2002 through 2006, Mr. Enright was a Managing Director of Pequot Ventures where he co-led the life sciences investment practice. Prior to Pequot, he was a Managing Member responsible for the Delta Opportunity Fund, where he invested in privately-held and publicly-traded biotechnology companies. He was previously Chief Financial Officer and Senior Vice President of Business Development at Valentis, Inc. (now Urigen Pharmaceuticals, Inc.) and Senior Vice President of Finance and Business Development at Boehringer Mannheim Pharmaceuticals (now F. Hoffmann-La Roche. Ltd.). Mr. Enright is a director of a number of privately-held companies, as well as Corcept Therapeutics, Inc. (NASDAQ: CORT) and Jazz Pharmaceuticals plc (NASDAQ: JAZZ). Previously, Mr. Enright served on the boards of

Threshold Pharmaceuticals, Inc. (NASDAQ: THLD), Sequenom, Inc. (NASDAQ: SQNM), Valentis, Inc. (NASDAQ: VLTS), Codexis, Inc. (NASDAQ: CDXS) and MAP Pharmaceuticals, Inc. (NASDAQ: MAPP). Mr. Enright received his M.B.A. from the Wharton School of Business at the University of Pennsylvania and his B.S. in Biological Sciences from Stanford University. We believe Mr. Enright's extensive knowledge of finance and experience in the biotechnology industry qualifies him to serve as a member of our board of directors.

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

Daniel Janney has served as a member of our board of directors since November 2012. Mr. Janney is a managing director at Alta Partners, a life sciences venture capital firm, which he joined in 1996. Prior to joining Alta, from 1993 to 1996, he was a Vice President in Montgomery Securities' healthcare and biotechnology investment banking group, focusing on life sciences companies. Mr. Janney is a director of a number of companies including Alba Therapeutics Corporation, DiscoveRx Corporation, Lithera, Inc., Prolacta Bioscience, Inc. and ViroBay, Inc. He holds a Bachelor of Arts in History from Georgetown University and an M.B.A. from the Anderson School at the University of California, Los Angeles. We believe Mr. Janney's experience working with and serving on the boards of directors of life sciences companies and his experience working in the venture capital industry qualifies him to serve on our board of directors.

Louis G. Lange, M.D., Ph.D. has served as a member of our board of directors since February 2010. Dr. Lange is currently a partner with Asset Management Company, a venture capital firm that he joined in June 2009. Since June 2009, Dr. Lange has also served as a Senior Advisor of Gilead Sciences, Inc. (NYSE: GILD). From April 2009 to June 2009, Dr. Lange served as Executive Vice President, Cardiovascular Therapeutics, of Gilead Sciences, Inc. He was a founder of CV Therapeutics, Inc. and served as its Chairman and Chief Executive Officer from August 1992 until the acquisition of the company by Gilead Sciences, Inc. in April 2009. Dr. Lange holds an M.D. from Harvard Medical School and a Ph.D. in biological chemistry from Harvard University. Dr. Lange's significant operational and business experience with life science companies qualify him to serve as a member of our board of directors.

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

Executive Officers

Tim M. Mayleben has served as our President and Chief Executive Officer since December 2012 and as a member of our board of directors since February 2010. Prior to joining Esperion, from December 2009 to December 2012, Mr. Mayleben was President and CEO and a director of Aastrom Biosciences, Inc. (NASDAQ: ASTM). He is also an advisor to, investor in, and member of the board of directors of several life science companies, including Intelliject Corporation, Lycera Corporation and DeNovo Sciences, through his advisory and investment firms, ElMa Advisors and Esperance BioVentures. Previously from 2007 to 2008, Mr. Mayleben served as President, COO and a director of NightHawk Radiology Holdings, Inc. Prior to joining Nighthawk, Mr. Mayleben was the Chief Operating Officer of the original Esperion, until its acquisition by Pfizer in 2004. Mr. Mayleben earned an M.B.A., with distinction, from the J.L. Kellogg Graduate School of Management at Northwestern University, and a Bachelor of Business Administration degree from the University of Michigan, Ross School of Business. Mr. Mayleben's years of experience in the life sciences industry, including over a decade of experience as an executive officer of several life sciences companies, qualifies him to sit on our board.

Noah L. Rosenberg, M.D. has served as our Chief Medical Officer since February 2012. From 2007 to 2010, Dr. Rosenberg served as a Senior Medical Director at Sanofi. From 2005 to 2007, Dr. Rosenberg served as a Medical Director at Sanofi. From 2000 to 2005, Dr. Rosenberg served as a Medical Director at Pfizer Inc. Dr. Rosenberg earned an M.D. from Drexel University and a B.A. in Natural Sciences from The Johns Hopkins University.

Troy A. Ignelzi has served as our Vice President—Business Development since January 2010. Prior to joining Esperion, from 2007 to 2010, Mr. Ignelzi served as Vice President—Business Development and Strategic Planning of Insys Therapeutics, Inc. Prior to his employment with Insys, Mr. Ignelzi worked as a sales and marketing professional in the neuroscience division with Eli Lilly and Company. Mr. Ignelzi received a B.S. from Ferris State University.

Composition of our Board of Directors

Our board of directors currently consists of six members, all of whom were elected pursuant to the board composition provisions of a voting agreement, which will terminate immediately prior to the closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity and is not limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and corporate governance committee's and board of directors' priority in selecting board members is identification of persons who will further the interests of our stockholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape and professional and personal experiences and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal.

Our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the completion of this offering also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

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

Staggered board. In accordance with the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the completion of this offering, our board of directors will be divided into three classes, class I, class II and class III, with each class serving staggered three-year terms. Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires.

- Our Class I directors will be ;
- Our Class II directors will be ; and
- Our Class III directors will be .

Our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the completion of this offering provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of the board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

Board Leadership Structure and Board's Role in Risk Oversight

The positions of our Executive Chairman of the board and Chief Executive Officer are presently separated at Esperion. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Executive Chairman of the board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the Chief Executive Officer must devote to his position in the current business environment, as well as the commitment required to serve as our Executive Chairman, particularly as the board of directors' oversight responsibilities continue to grow. Our board of directors also believes that this structure ensures a greater role for the independent directors in the oversight of our company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of our board of directors. Our board of directors believes its administration of its risk oversight function has not affected its leadership structure. Although our amended and restated bylaws that will be in effect upon the completion of this offering will not require our Executive Chairman and Chief Executive Officer positions to be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our board of directors performs this oversight role by using several different levels of review. In connection with its reviews of the operations and

corporate functions of our company, our board of directors addresses the primary risks associated with those operations and corporate functions. In addition, our board of directors reviews the risks associated with our company's business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our board committees also oversees the management of our company's risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Vice President, Finance & Business Development reports to the audit committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our audit committee meets privately with representatives from our independent registered public accounting firm and our Vice President, Finance & Business Development. The audit committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our board of directors regarding these activities.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates pursuant to a separate charter adopted by our board of directors. We expect that the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, the NASDAQ Stock Market and Securities and Exchange Commission rules and regulations.

Audit committee

, and currently serve on the audit committee, which is chaired by . Under the applicable NASDAQ rules, we are permitted to phase in our compliance with the independent audit committee requirements set forth in NASDAQ Marketplace Rule 5605(c)(2)(A)(ii) on the same schedule as we are permitted to phase in our compliance with the independent audit committee requirement pursuant to Rule 10A-3(b)(1)(iv)(A) under the Exchange Act, which require (1) one independent member at the time of listing; (2) a majority of independent members within 90 days of listing; and (3) all independent members within one year of listing. Our board of directors has determined that each of and is an independent director under the NASDAQ Marketplace Rules and Rule 10A-3 of the Exchange Act. Within one year of our listing on the NASDAQ Global Market, we expect that will resign from our audit committee and be replaced with a new director who is independent under NASDAQ Marketplace Rule 5605(c)(2)(A)(ii) and Rule 10A-3. Our board of directors has designated as an "audit committee financial expert," as defined under the applicable rules of the Securities and Exchange Commission. The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the internal audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;

- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee's review and discussions with management and our independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases.

Compensation committee

, and currently serve on the compensation committee, which is chaired by . Our board of directors has determined that each member of the compensation committee is "independent" as that term is defined in the applicable NASDAQ Stock Market rules. The compensation committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and determining the compensation of our Chief Executive Officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable NASDAQ Stock Market rules;
- retaining and approving the compensation of any compensation advisors;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- preparing the compensation committee report required by SEC rules to be included in our annual proxy statement;
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K; and
- reviewing and discussing with the board of directors corporate succession plans for the Chief Executive Officer and other key officers.

Nominating and corporate governance committee

, and currently serve on the nominating and corporate governance committee, which is chaired by . Our board of directors has determined that

each member of the nominating and corporate governance committee is "independent" as that term is defined in the applicable NASDAQ Stock Market rules. The nominating and corporate governance committee's responsibilities include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board of directors a set of corporate governance guidelines; and
- overseeing the evaluation of the board of directors and management.

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

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Corporate Governance

Prior to the completion of this offering, we will adopt a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Following the completion of this offering, a current copy of the code will be posted on the Corporate Governance section of our website, which is located at www.esperion.com. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a Current Report on Form 8-K.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Executive Compensation Overview

Our primary objective with respect to executive compensation is to attract and retain individuals who possess knowledge, experience and skills that we believe are important to our business of developing and commercializing novel therapeutics for patients with elevated levels of LDL-C.

Specifically, our compensation programs are designed to:

- attract and retain individuals with superior ability and managerial experience;
- align executive officers' incentives with our corporate strategies, business objectives and the long-term interests of our stockholders; and
- increase the incentive to achieve key strategic performance measures by linking incentive award opportunities to the achievement of performance objectives and by providing a portion of total compensation for executive officers in the form of ownership in the company.

Our compensation committee oversees our compensation and benefit plans and policies, administers our equity incentive plans and reviews and approves annually all compensation decisions relating to all of our executive officers. The compensation committee considers recommendations from our Chief Executive Officer regarding the compensation of the other executive officers identified in the Summary Compensation Table below, who we refer to as the Named Executive Officers, other than himself. Historically, the compensation committee has not retained any independent compensation consultants to help it in making compensation-related decisions.

Following the completion of this offering, our compensation committee will continue to be primarily responsible for developing and implementing our compensation policies and establishing and approving the compensation for all of our executive officers. In the future, our compensation committee may review the compensation packages offered by other similar companies based on survey data and may choose to retain the services of independent compensation consultants from time to time, as it sees fit, in connection with the establishment of cash and equity compensation and related policies. While market data and reports from independent consultants provide useful starting points for compensation decisions, our compensation committee may also take into account factors such as level of responsibility, prior experience, individual performance and internal pay equity in arriving at final compensation decisions.

Executive Compensation Components

Our executive compensation consists of base salary, cash incentive bonuses, equity incentive compensation and broad-based benefits programs. Each of the elements of our executive compensation is discussed in more detail below, including a description of the particular element and how it fits into our overall executive compensation program.

Although we have not adopted any formal guidelines for allocating total compensation between long-term and short-term compensation, cash compensation and non-cash compensation, or among different forms of non-cash compensation, we intend to implement and maintain compensation plans that tie a substantial portion of our executives' overall compensation to the achievement of corporate goals and value-creating milestones, such as the clinical development of ETC-1002 and the establishment and maintenance of key strategic relationships.

Section 162(m) of the Code places a limit of $1 million on the amount of compensation that public companies may deduct in any one year with respect to certain of its Named Executive Officers. Certain performance-based compensation approved by stockholders is not subject to this deduction limit. In addition, as a newly public company, some of our compensation arrangements are not subject to the

deduction limit during a transition period. Our compensation committee's strategy in this regard is to be cost and tax efficient. Therefore, whenever possible, the compensation committee intends to structure compensation programs to qualify compensation as performance-based under Section 162(m) of the Code, while maintaining the flexibility in the future to approve arrangements that it deems to be in our best interests and the best interests of our stockholders, even if such arrangements do not always qualify for full tax deductibility.

Annual Cash Compensation

Base Salary

Base salaries for our Named Executive Officers are intended to be competitive with those received by other individuals in similar positions at the companies with which we compete for talent. Base salaries are originally established at the time the executive is hired based on individual experience, skills and expected contributions, our compensation committee's understanding of what executives in similar positions at other peer companies were being paid at such time and are also the result of negotiations with certain executives during the hiring process. The base salaries of our Named Executive Officers are reviewed annually and may be adjusted to reflect market conditions and our executives' performance during the prior year as well as the financial position of the company, or if there is a change in the scope of the officer's responsibilities. We believe that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can motivate and reward executives for their overall performance.

Cash Incentive Bonuses

Our compensation committee has the authority to award annual performance-based cash bonuses to our executive officers.

Upon the completion of this offering, our Senior Executive Cash Incentive Bonus Plan which was approved by the board of directors on , will become effective and the Named Executive Officers will be eligible to receive annual cash incentive bonuses thereunder. For a further discussion of the Senior Executive Cash Incentive Bonus Plan, see "Senior Executive Cash Incentive Bonus Plan" below.

Equity Incentive Compensation

Equity incentive grants to our Named Executive Officers are currently made at the discretion of our board of directors under our 2008 Incentive Stock Option and Restricted Stock Plan, or the 2008 Plan, and such awards are typically made at the time of hiring and in connection with annual performance reviews during January, if at all. Under the 2008 Plan, the board of directors may grant equity incentive awards in the form of stock options or restricted stock awards.

Each of our Named Executive Officers received an equity incentive award upon his commencement of employment with us. The amount of these initial equity grants was based on the following qualitative factors that are not weighted by our board: the executive's proposed level of responsibility, the competitive market for the executive's position and the executive's potential contribution to the advancement of our clinical and business development programs.

Upon the closing of this offering, equity incentive awards will be granted to our Named Executive Officers under our 2013 Stock Option and Incentive Plan, or the 2013 Plan. For a further discussion of the 2008 Plan and 2013 Plan, see "Equity Compensation Plans and Other Benefit Plans" below.

Benefits Programs

In addition to the primary elements of compensation (base salary, cash incentive bonuses and equity incentive compensation) described above, the Named Executive Officers also participate in broad-based employee benefits programs available to all of our employees, including health insurance, life and disability insurance, dental insurance and our 401(k) plan.

Compensation Tables

Summary Compensation Table—2012

The following table presents information regarding the total compensation awarded to, earned by, and paid to each individual who served as our chief executive officer at any time during the last completed fiscal year and the two most highly-compensated executive officers (other than the chief executive officer) who were serving as executive officers at the end of the last completed fiscal year for services rendered in all capacities to us for the year ended December 31, 2012. These individuals are our Named Executive Officers for 2012.

Name and principal position	Year	Salary ($)	Bonus ($)	Option awards ($)(4)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total ($)
Roger S. Newton, Ph.D., FAHA, *Executive Chairman and Chief Scientific Officer*	2012	369,766	—	—	—	—	369,766
Tim M. Mayleben, *President and Chief Executive Officer*	2012	25,000(1)	—	—	—	—	25,000
Noah L. Rosenberg, M.D., *Chief Medical Officer*	2012	303,276(2)	15,000(3)	89,562	—	—	318,276
Troy A. Ignelzi, *Vice President—Business Development*	2012	200,813	—	21,440	—	—	222,253

(1) Mr. Mayleben joined the Company as our President and Chief Executive Officer effective December 10, 2012. The amount reflected in this column is based upon an annualized salary of $400,000.

(2) Dr. Rosenberg joined the Company as our Chief Medical Officer effective February 6, 2012. The amount reflected in this column is based upon an annualized salary of $335,000.

(3) Amount includes $15,000 awarded to Dr. Rosenberg as a signing bonus.

(4) Amounts represent the aggregate grant date fair value of option awards granted to our Named Executive Officers in 2012 computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are consistent with the valuation methodologies specified in the notes to our financial statements and discussions in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The amounts above reflect the Company's aggregate accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the Named Executive Officers.

Narrative Disclosure to the Summary Compensation Table

Employment arrangements with our named executive officers

We have entered into an employment agreement or offer letter with each of the named executive officers in connection with his employment with us. These employment agreements and offer letter provide for "at will" employment.

Tim M. Mayleben. On December 3, 2012, we entered into an employment agreement with Mr. Mayleben for the position of President and Chief Executive Officer which was effective as of

December 10, 2012. Pursuant to the terms of Mr. Mayleben's employment agreement, we agreed to grant him an option to purchase 1,911,790 shares of our common stock, which option was subsequently granted on January 16, 2013. Mr. Mayleben currently receives a base salary of $400,000, which is subject to review and adjustment in accordance with company policy. Beginning with the year ending December 31, 2013, Mr. Mayleben is also eligible for an annual discretionary bonus of up to 40% of his base salary, payable at the discretion of the board of directors. The amount of such bonus will be determined annually based upon individual and/or company achievement of certain measurable goals established by the board of directors and Mr. Mayleben. Mr. Mayleben is eligible to participate in employee benefit plans generally available to our executive employees, subject to the terms of those plans.

Troy A. Ignelzi. On January 4, 2010, we entered into an offer letter with Mr. Ignelzi for the position of Executive Director of Finance and Business Development. Mr. Ignelzi currently receives a base salary of $205,000. Mr. Ignelzi is also eligible for an annual performance bonus of up to 25% of his base salary, based on the company's performance and is eligible to participate in our employee benefit plans, subject to the terms of those plans.

Roger S. Newton, Ph.D., FAHA. On December 4, 2012, we entered into an employment agreement with Dr. Newton for the position of Executive Chairman and Chief Scientific Officer which was effective December 10, 2012. Pursuant to the terms of Dr. Newton's employment agreement, we agreed to grant him an option to purchase 531,923 shares of our common stock, which option was subsequently granted on January 16, 2013. Dr. Newton currently receives a base salary of $375,000, which is subject to review and adjustment in accordance with company policy. Beginning with the year ending December 31, 2013, Dr. Newton is also eligible for an annual discretionary bonus of up to 40% of his base salary, payable at the discretion of the board of directors. The amount of such bonus will be determined annually based upon individual and/or company achievement of certain measurable goals established by the board of directors and Dr. Newton. Dr. Newton is eligible to participate in employee benefit plans generally available to our executive employees, subject to the terms of those plans.

Noah L. Rosenberg, M.D. On January 13, 2012, we entered into an employment agreement with Dr. Rosenberg for the position of Chief Medical Officer. Dr. Rosenberg currently receives a base salary of $335,000, which is subject to review and adjustment at the discretion of the company. Dr. Rosenberg is also eligible for an annual discretionary bonus of up to 35% of his base salary, payable at the discretion of the compensation committee based on its assessment of the performance of Esperion and Dr. Rosenberg against goals established by the Chief Executive Officer and the compensation committee. Dr. Rosenberg is eligible to participate in employee benefit plans generally available to our full-time employees, subject to the terms of those plans.

The employment agreements with Mr. Mayleben and Drs. Newton and Rosenberg provide for certain payments and benefits in the event of an involuntary termination of employment. In addition, each of Mr. Mayleben and Drs. Newton and Rosenberg are entitled to accelerated vesting of certain outstanding and unvested equity awards held by them in certain circumstances. The information below describes certain compensation and equity acceleration that may become payable as a result of certain events. These payments and benefits are in addition to benefits available generally to salaried employees, including distributions under our 401(k) plan, accrued benefits under our health and welfare plans and arrangements, and vacation pay or other accrued benefits under our medical and dental insurance plans, that are not generally described. Outstanding equity awards for the Named Executive Officers as of December 31, 2012 are set forth under "Outstanding Equity Awards at Fiscal Year End Table—2012."

Involuntary Termination of Employment

Pursuant to their employment agreements, Mr. Mayleben and Drs. Newton and Rosenberg are each eligible to receive certain payments and benefits in the event his employment is terminated by us without "cause" (as defined in the employment agreements) or in the event he terminates his employment with "good reason" (as defined in their employment agreements).

Each of Mr. Mayleben and Dr. Newton is eligible to receive one year of base salary continuation in the event of a termination by the company without cause or by the Named Executive Officer for good reason, provided that he resigns from the board of directors and timely executes and allows to become effective a release agreement. Dr. Rosenberg is eligible to receive the following payments and benefits, provided he enters into, does not revoke and complies with the terms of a separation agreement in a form acceptable to the company, which shall include a release in favor of the company, and resigns from any and all positions he holds with the company:

- base salary continuation for six months following termination;
- continuation of group health plan benefits to the extent authorized and consistent with COBRA, with the cost of the regular premium shared in the same relative proportion by Dr. Rosenberg and the company as in effect on the date of termination until the earlier of six months after the date of termination and the date he becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA;
- a pro-rated bonus for the year of termination, provided the Chief Executive Officer and the compensation committee assess Dr. Rosenberg's performance and that of Esperion through the date of termination and determine that he is entitled to a pro-rated bonus; and
- accelerated vesting of the unvested portion of an option to purchase 100,000 shares of the company's common stock granted to Dr. Rosenberg in connection with his hire.

Change in Control

Under the employment agreements with Mr. Mayleben and Dr. Newton, we agreed to make certain equity awards to each of them in the form of options to purchase our common stock. Pursuant to their employment agreements and the award agreements governing such stock options, in the event of a "change in control" of the company (as defined in the employment agreements), any such unvested stock options will be accelerated such that 50% of the shares underlying such options which would otherwise be unvested at the time of the change in control will become vested upon the change in control and, if, during the 12 month period following the change in control, either Mr. Mayleben or Dr. Newton's employment is terminated by the company without cause or either Mr. Mayleben or Dr. Newton terminates his employment with the company for good reason, 100% of the unvested portion of such option will immediately become vested.

Definitions

For purposes of each of the employment agreements with Mr. Mayleben and Dr. Newton, "cause" means the Named Executive Officer's:

- conviction (including a guilty or no contest plea) on a felony indictment or for any misdemeanor involving moral turpitude that adversely affects the company;
- participation in a fraud or act of dishonesty against the Company;
- material breach of the Named Executive Officer's duties to the company that has not been cured to the reasonable satisfaction of the board of directors within 30 days following written notice to

the Named Executive Officer (provided that no such notice and cure period will be required if such breach is not subject to cure);

- intentional and material damage to company property; or
- material breach of the employment agreement or other written agreement of the company or written policy of the company.

For purposes of the employment agreement with Dr. Rosenberg, "cause" means his:

- conduct in connection with his service to the company that is fraudulent, unlawful, or grossly negligent;
- material breach of his material responsibilities to the company or his willful failure to comply with reasonable and lawful directives of the Chief Executive Officer or written policies of the Company;
- breach of his representations, warranties, covenants and/or obligations under the employment agreement;
- material misconduct which seriously discredits or damages the company; and/or
- non-performance or unsatisfactory performance of his material duties or responsibilities to the company after written notice to him and a reasonable opportunity to cure that shall not exceed 30 days.

For purposes of each of the employment agreements with Mr. Mayleben and Dr. Newton, "change in control" means:

- a sale of substantially all of the assets of the company;
- a merger or consolidation in which the company is not the surviving corporation (other than a merger or consolidation in which stockholders immediately before the merger or consolidation have, immediately after the merger or consolidation, a majority of the voting power of the surviving corporation);
- a reverse merger in which the company is the surviving corporation but the shares of the company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (other than a reverse merger in which stockholders immediately before the merger have, immediately after the merger, a majority of the voting power of the surviving corporation); or
- any transaction or series of related transactions in which in excess of 50% of the company's voting power is transferred, other than an initial offering of the company's stock to the public registered under the Securities Act of 1933, as amended, or the sale by the company of stock in transactions the primary purpose of which is to raise capital for the company's operations and activities.

For purposes of the employment agreement with Mr. Mayleben, "good reason" means any one of the following events that occurs after the commencement of his employment with the company, in each case without Mr. Mayleben's consent:

- a material reduction in his duties, responsibility or authority or any decrease in his base salary of more than 20%;
- any change in his position as President and Chief Executive Officer of the company or any change in his obligation to report to the board of directors as set forth in the employment agreement;

- any requirement that he relocate to a work site more than 50 miles from the company's location in Plymouth Township, Michigan; or
- any material breach by the company of its obligations under the employment agreement.

For purposes of the employment agreement with Dr. Newton, "good reason" means any one of the following events that occurs after the commencement of his employment with the company, in each case without Dr. Newton's consent:

- a material reduction in his duties, responsibility or authority or any decrease in his base salary of more than 20%, which in any event shall not include a transition to less than a full-time position;
- any requirement that he relocate to a work site more than 50 miles from the company's location in Plymouth Township, Michigan;
- any material breach by the company of its obligations under the employment agreement; or
- the board of directors requests or requires Dr. Newton to perform any illegal act or any act that is inconsistent with accepted standards of ethical and professional behavior.

For purposes of the employment agreement with Dr. Rosenberg, "good reason" means that Dr. Rosenberg has (i) reasonably determined that a good reason condition has occurred, (ii) notified the company in writing of the first occurrence of the good reason condition within 60 days of the first occurrence of such condition, (iii) cooperated in good faith with the company's efforts for a period of not less than 30 days following such notice to remedy the condition, (iv) notwithstanding such efforts, the good reason condition continues to exist and (v) terminated his employment within 60 days after the end of the 30 day cure period, following the occurrence of any one of the following actions by the company without Dr. Rosenberg's express prior written consent:

- a material diminution in his responsibilities, authority and function; or
- a reduction in base salary; provided, however, that good reason shall not be deemed to have occurred in the event of a reduction in base salary that is pursuant to a salary reduction program affecting substantially all senior level employees of the company that does not adversely affect Dr. Rosenberg to a greater extent than other similarly situated employees.

Outstanding Equity Awards at Fiscal Year-End Table—2012

The following table summarizes, for each of the Named Executive Officers, the number of shares of common stock underlying outstanding stock options held as of December 31, 2012.

Name	Grant date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date
Roger S. Newton, Ph.D., FAHA	—	—	—	—	—
Tim M. Mayleben	6/1/2008(1)	79,755	21,166	0.15	6/1/2018
	4/2/2010(2)	66,842	30,383	0.18	4/2/2020
Noah L. Rosenberg, M.D.	7/12/2012(3)	—	480,000	0.27	7/12/2022
Troy A. Ignelzi	4/2/2010(4)	140,000	10,000	0.18	4/2/2020
	5/19/2011(2)	6,562	8,438	0.22	5/19/2021

(1) At the grant date, the option vested over a four-year period on a monthly basis. Pursuant to an amendment to the option agreement on April 2, 2010, the remaining unvested shares vest over a four-year period quarterly, subject to continued service as a member of the Board of Directors.

(2) The option vests over a four-year period vesting quarterly, subject to continued employment through such date.

(3) The option vests over a four-year period with twenty-five percent of the common stock options vesting on the one-year anniversary of the vesting commencement date and 1/48th vesting in equal installments on the monthly anniversary thereafter, subject to continued employment through such date.

(4) The option vests over a four-year period with twenty-five percent of the common stock options vesting on the one-year anniversary of the vesting commencement date and the remainder vesting in equal installments on the quarterly anniversary thereafter, subject to continued employment through such date.

Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of our board of directors during 2012. Other than as set forth in the table and described more fully below, we did not pay any compensation, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our board of directors in 2012. Mr. Mayleben, who is also our President and Chief Executive Officer, and Dr. Newton, who is our Executive Chairman and Chief Scientific Officer, receive no compensation for service as a director, and, consequently, are not included in this table. The compensation received by Mr. Mayleben and Dr. Newton as employees of the Company during 2012 is presented in "Summary Compensation Table—2012."

In 2012, we did not maintain any standard fee arrangements for the non-employee members of our board of directors for their service as a director. We intend to put in place a formal director compensation policy for all of our non-employee directors prior to the completion of this offering.

Director Compensation Table—2012

Director name	Fees earned or paid in cash ($)	Option awards ($)	All other compensation ($)	Total ($)
Dov A. Goldstein, M.D.	—	—	—	
Daniel Janney	—	—	—	
Louis G. Lange, M.D., Ph.D.	—	20,140(1)	—	20,140
Nicole Vitullo	—	—	—	

(1) Amount represents the fair value of the awards on the date of grant computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are consistent with the valuation methodologies specified in the notes to our financial statements included elsewhere in this prospectus.

Compensation Risk Assessment

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

Equity Compensation Plans and Other Benefit Plans

The two equity incentive plans described in this section are the 2008 Plan and the 2013 Plan. Prior to this offering, we have granted awards to eligible participants under the 2008 Plan. Following the closing of this offering, we expect to grant awards to eligible participants only under the 2013 Plan. In addition, our Senior Executive Cash Incentive Bonus Plan, which will be used following completion of this offering, is described below.

2008 Plan

The 2008 Plan was approved by our board of directors and our stockholders on April 24, 2008 and was most recently amended on March 25, 2013. Under the 2008 Plan, 5,800,000 shares of common stock have been reserved for issuance in the form of stock options and restricted stock. The shares issuable pursuant to awards granted under the 2008 Plan are authorized but unissued shares.

The 2008 Plan is administered by our board of directors, which has full power to select the employees, directors and service providers of the participating companies to whom awards will be granted and to determine the specific terms and conditions of each award, subject to the provisions of the 2008 Plan.

The option exercise price of each option granted under the 2008 Plan is determined by our board of directors and may not be less than the fair market value of a share of common stock on the date of grant. The term of each option is fixed by the board of directors and may not exceed ten years from the date of grant. The board of directors determines at what time or times each option may be exercised when granting the option.

The 2008 Plan provides that, upon a change in control or sale transaction of the Company, the board of directors may take any one or a combination of the following actions with respect to outstanding options: (i) require that options be substituted with new awards of the successor entity, on substantially identical terms; (ii) provide for a cash payment equal to the in-the-money value of the

options; (iii) allow net or "cashless" option exercises; or (iv) provide that all options not exercised within a specified period will terminate upon the closing of the transaction.

Our board of directors may amend the 2008 Plan but no such action may adversely affect the rights of an award holder without such holder's consent. Approval by our stockholders of amendments to the 2008 Plan must be obtained if required by law.

As of April 30, 2013, options to purchase 5,018,808 shares of common stock and no shares of restricted stock were outstanding under the 2008 Plan. Our board of directors has determined not to make any further awards under the 2008 Plan following the closing of this offering.

2013 Plan

On 2013, our board of directors adopted and our stockholders approved our 2013 Plan, which will replace the 2008 Plan. Our 2013 Plan provides us flexibility to use various equity-based incentive and other awards as compensation tools to motivate our workforce. These tools include stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, performance share awards and cash-based awards. The 2013 Plan will become effective immediately prior to the closing of this offering.

We have initially reserved shares of common stock for the issuance of awards under the 2013 Plan. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares issuable pursuant to awards granted under the 2013 Plan will be authorized but unissued shares or shares that we reacquire. The shares of common stock underlying any awards from the 2013 Plan and the 2008 Plan that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without any issuance of common stock, expire or are otherwise terminated (other than by exercise) under the 2013 Plan will be added back to the shares available for issuance under the 2013 Plan.

Under the 2013 Plan, stock options or stock appreciation rights with respect to no more than shares may be granted to any one individual in any one calendar year and no more than shares may be issued in the form of incentive stock options.

The 2013 Plan will be administered by the compensation committee of the board of directors. The compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2013 Plan. Employees, non-employee directors and other key persons (including consultants) are eligible to receive awards under the 2013 Plan.

The 2013 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The exercise price of each stock option will be determined by our compensation committee but may not be less than 100% of the fair market value of our common stock on the date of grant or, in the case of an incentive stock option granted to a 10% owner, less than 110% of the fair market value of our common stock on the date of grant. The term of each stock option will be fixed by the compensation committee and may not exceed ten years from the date of grant (or five years in the case of an incentive stock option granted to a 10% owner). The compensation committee will determine at what time or times each option may be exercised.

The compensation committee may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The

exercise price of each stock appreciation right may not be less than 100% of the fair market value of the common stock on the date of grant.

The compensation committee may award restricted stock or restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment or service with us through a specified vesting period. The compensation committee may also grant cash-based awards to participants subject to such conditions and restrictions as it may determine. Our compensation committee may also grant shares of common stock that are free from any restrictions under the 2013 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

The compensation committee may grant performance share awards to participants that entitle the recipient to receive share awards of common stock upon the achievement of certain performance goals and such other conditions as our compensation committee shall determine.

The compensation committee may grant cash bonuses under the 2013 Plan to participants, subject to the achievement of certain performance goals.

The compensation committee may grant performance-based awards to participants in the form of restricted stock, restricted stock units, performance shares or cash-based awards upon the achievement of certain performance goals and such other conditions as the compensation committee shall determine. The compensation committee may grant such performance-based awards under the 2013 Plan that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code. Those awards would only vest or become payable upon the attainment of performance goals that are established by our compensation committee and related to one or more performance criteria. The performance criteria that could be used with respect to any such awards include: total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of our common stock, economic value-added, sales or revenue, development, clinical or regulatory milestones, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. From and after the time that we become subject to Section 162(m) of the Code, the maximum award that is intended to qualify as "performance-based compensation" under Section 162(m) of the Code that may be made to any one employee during any one calendar year period is shares with respect to a stock-based award and $ with respect to a cash-based award.

The 2013 Plan provides that upon the effectiveness of a "sale event," as defined in the 2013 Plan, all awards will be assumed or continued by the successor entity. Alternatively, awards may be substituted with new awards of the successor entity, with appropriate adjustment to the number and kind of shares, as well as the exercise prices. If awards are not assumed, continued or substituted, the 2013 Plan and all outstanding awards thereunder will terminate at the effective time of such sale event. In addition, in connection with the termination of the 2013 Plan upon a sale event, we may make or provide for a cash payment to participants holding options and stock appreciation rights equal to the difference between the per share cash consideration payable to stockholders in the sale event and the exercise price of the options or stock appreciation rights.

Our board of directors may amend or discontinue the 2013 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, including option repricing, but no such action may adversely affect rights under an award

without the holder's consent. Certain amendments to the 2013 Plan may require the approval of our stockholders.

No awards may be granted under the 2013 Plan after the date that is ten years from the date of stockholder approval of the 2013 Plan. No awards under the 2013 Plan have been made prior to the date hereof.

Senior Executive Cash Incentive Bonus Plan

In 2013, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by our compensation committee. The payment targets will be related to corporate, financial and operational measures or objectives, or Corporate Performance Goals, as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among the following: cash flow (including, but not limited to, operating cash flow and free cash flow); sales or revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; development, clinical or regulatory milestones; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of customers; number of new customers or customer references; operating income and/or net annual recurring revenue, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, as compared to results of a peer group, against the market as a whole, compared to applicable market indices and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the Corporate Performance Goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period. Subject to the rights contained in any agreement between the executive officer and the company, an executive officer must be employed by the company on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees in the United States with an opportunity to save for retirement on a tax-advantaged basis. We may provide matching and discretionary contributions. All participants' interests in their contributions are 100% vested when contributed. Any employer contributions vest over a five-year period. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. The retirement plan is intended to qualify under Sections 401(a) and 501(a) of the Code.

Other Compensation

We currently maintain broad-based benefits that are provided to all employees, including health insurance, life and disability insurance and dental insurance.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below transactions and series of similar transactions since January 1, 2010, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our directors and Named Executive Officers are described elsewhere in this prospectus.

Sales and Purchases of Securities

2010 and 2011 Series A Financing

On April 28, 2008, we entered into a stock purchase agreement with Dr. Newton and affiliated funds of Alta Partners, Aisling Capital, Domain Partners and Arboretum Ventures pursuant to which we agreed to issue and sell, in a series of closings, an aggregate of 23,975,000 shares of our Series A preferred stock in exchange for cash and cancellation of certain indebtedness at a price of $1.00 per share. Several of the closings were contingent on the occurrence of pre-specified clinical or development milestones. On January 27, 2010, following the commencement of Phase 1 clinical trials of ETC-1002, the applicable second tranche milestone, we issued and sold an aggregate of 6,000,000 shares of Series A preferred stock to these purchasers for gross proceeds of $6,000,000. On April 7, 2010, Louis G. Lange, M.D., an affiliated fund of Dr. Lange and the Wm. Thomas Lockard, Trustee Alix Marduel, Trustee Lockard/Marduel Revocable Trust became parties to the stock purchase agreement. On April 7, 2010, we issued and sold an aggregate of 1,000,000 shares of Series A preferred stock to these purchasers for gross proceeds of $1,000,000. On January 28, 2011, following the commencement of Phase 2a clinical trials of ETC-1002, the applicable third tranche milestone, we issued and sold an aggregate of 6,700,000 shares of Series A preferred stock to these purchasers for gross proceeds of $6,700,000.

January 2012 Convertible Note Financing

On January 26, 2012, we entered into a convertible note financing in which we issued 10% convertible promissory notes for an aggregate principal amount of $6 million to certain investors affiliated with Alta Partners, Aisling Capital, Domain Partners, Arboretum Ventures, Asset Management Company and Dr. Newton, which were convertible, under certain circumstances, into shares of Series A preferred stock.

On February 12, 2013, these convertible promissory notes were converted, in accordance with their terms and at their respective conversion prices, into shares of Series A preferred stock, and following such conversion, the notes were cancelled.

September and November 2012 Convertible Note Financing

On September 4, 2012, we entered into a convertible note financing in which we issued 10% convertible promissory notes for an aggregate principal amount of $4.0 million to certain investors affiliated with Alta Partners, Aisling Capital, Domain Partners, Arboretum Ventures, Asset Management Company and Dr. Newton, which were convertible, under certain circumstances, into shares of Series A preferred stock. On September 4, 2012, we also issued warrants to purchase shares of our preferred stock to the foregoing investors for an aggregate purchase price of $4,000. On November 30, 2012, we entered into a convertible note financing in which we issued additional 10% convertible promissory notes for an aggregate principal amount of $5.7 million to certain investors

affiliated with Alta Partners, Aisling Capital, Domain Partners, Arboretum Ventures, Asset Management Company and Dr. Newton, which were convertible, under certain circumstances, into shares of Series A preferred stock. On November 30, 2012, we also issued additional warrants to purchase shares of our preferred stock to the foregoing investors for an aggregate purchase price of $5,700.

February and April 2013 Series A Issuances

On February 12, 2013, the convertible promissory notes issued in January, September and November 2012 were converted, in accordance with their respective terms and at their respective conversion prices, into shares of Series A preferred stock, and the warrants issued in September and November 2012 became exercisable for shares of Series A preferred stock.

In April 2013, we entered into a stock purchase agreement with Dr. Newton and affiliated funds of Longitude Capital, Alta Partners, Aisling Capital, Domain Partners, Asset Management Company and Arboretum Ventures, pursuant to which we issued an aggregate of 17,000,000 shares of our Series A preferred stock at a price of $1.00 per share to these purchasers for gross proceeds of $17.0 million. Upon the closing under the stock purchase agreement, Patrick Enright of Longitude Capital became a member of our board of directors. Each share of Series A preferred stock is convertible into one share of our common stock.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer.

Participation in the Offering

Certain of our existing principal stockholders and their affiliated entities have indicated an interest in purchasing an aggregate of up to approximately $ million in shares of common stock in this offering at the initial public offering price. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering.

Policies for Approval of Related Person Transactions

Our board of directors reviews and approves transactions with directors, officers, and holders of 5% or more of our voting securities and their affiliates, each, a related person. Prior to this offering, prior to our board of directors' consideration of a transaction with a related person, the material facts as to the related person's relationship or interest in the transaction were disclosed to our board of directors, and the transaction was not approved by our board of directors unless a majority of the directors who were not interested in the transaction approved the transaction. Our current policy with respect to approval of related person transactions is not set forth in writing.

We have adopted a related person transaction policy that will be effective upon the effectiveness of the registration statement of which this prospectus forms a part. Pursuant to this policy, our audit committee shall review the material facts of all related person transactions. The audit committee shall take into account, among other factors that it deems appropriate, whether the related person transaction is on terms no less favorable to us than terms generally available in a transaction with an unrelated third-party under the same or similar circumstances and the extent of the related person's interest in the related person transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information known to us regarding beneficial ownership of our capital stock as of April 30, 2013, as adjusted to reflect the sale of common stock offered by us in this offering, for:

- each person known by us to be the beneficial owner of more than 5% of our capital stock;
- our named executive officers;
- each of our other directors; and
- all executive officers and directors as a group.

To the extent that the underwriters sell more than shares in this offering, the underwriters have the option to purchase up to an additional shares at the initial public offering price less the underwriting discount.

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

The table lists applicable percentage ownership based on 60,021,137 shares of common stock outstanding as of April 30, 2013 and also lists applicable percentage ownership based on shares of common stock assumed to be outstanding after the closing of the offering. Options to purchase shares of common stock and warrants that are exercisable for preferred stock and convertible into shares of common stock, in each case, that are exercisable within 60 days of April 30, 2013 are deemed to be beneficially owned by the persons holding these options or warrants for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage.

	Shares beneficially owned prior to offering		Shares beneficially owned after the offering	
Name and address of beneficial owner(1)	Number	Percent	Number	Percent
5% Stockholders				
Alta Partners VIII, L.P.(2)	13,187,565	21.8%		
Aisling Capital II, L.P.(3)	13,187,565	21.8		
Entities affiliated with Domain Partners VII, L.P.(4)	13,187,565	21.8		
Entities affiliated with Arboretum Ventures II, L.P.(5)	4,072,629	6.8		
Entities affiliated with Longitude Capital Partners, LLC(6)	12,000,000	20.0		
Named Executive Officers				
Tim M. Mayleben(7)	405,343	*		
Troy A. Ignelzi(8)	165,937	*		
Roger S. Newton, Ph.D., FAHA(9)	4,378,471	7.3		
Noah L. Rosenberg, M.D.(10)	159,999	*		
Other Directors				
Patrick Enright(11)	12,004,166	20.0		
Dov A. Goldstein, M.D.(12)	13,195,898	21.8		
Daniel Janney(13)	13,195,898	21.8		
Louis G. Lange, M.D., Ph.D.(14)	1,594,411	2.6		
Nicole Vitullo(15)	13,195,898	21.8		
All directors and executive officers as a group (9 persons)(16)	58,296,021	92.7		

* Represents beneficial ownership of less than one percent.

(1) Unless otherwise indicated, the address for each beneficial owner is c/o Esperion Therapeutics, Inc., 46701 Commerce Center Drive, Plymouth, MI 48170.

(2) The address for Alta Partners VIII, L.P. is One Embarcadero Center, 37th Floor, San Francisco, CA 94111. Consists of (a) 12,689,899 shares of common stock issuable upon conversion of shares of Series A preferred stock and (b) 497,666 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase shares of Series A preferred stock. These securities are held of record by Alta Partners VIII, L.P. Alta Partners Management VIII, LLC is the general partner of Alta Partners VIII, L.P. Guy Nohra, Daniel Janney and Farah Champsi are managing directors of Alta Partners Management VIII, LLC and exercise shared voting and investment powers with respect to the shares owned by Alta Partners VIII, L.P. Each of the reporting persons disclaims beneficial ownership of such securities, except to the extent of their proportionate pecuniary interest therein, if any. Mr. Janney is a member of our board of directors. The percentage of shares beneficially owned after this offering would be %, assuming the purchase of all of the shares that Alta Partners VIII, L.P. and its affiliated entities have indicated an interest in purchasing in this offering.

(3) The address for Aisling Capital II, LP is 888 7th Avenue, 30th Floor, New York, New York, 10106. Consists of (a) 12,689,899 shares of common stock issuable upon conversion of shares of Series A preferred stock and (b) 497,666 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock. These shares are directly held by Aisling Capital II, LP, or Aisling, and are deemed to be beneficially owned by Aisling Capital Partners, LP, or Aisling GP, as general partner of Asiling, Aisling Capital Partners, LLC, or Aisling Partners, as general partner of Aisling GP, and each of the individual managing members of Asiling Partners. In addition, Dov A. Goldstein, M.D. and five other persons on the investment committee of Aisling share the power to vote or dispose of these shares and therefore each member may be deemed to have voting and investment power with respect to such shares. Each of the members disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any. Dr. Goldstein is a member of our board of directors. The percentage of shares beneficially owned after this offering would be %, assuming the purchase of all of the shares that Aisling and its affiliated entities have indicated an interest in purchasing in this offering.

(4) The address for Domain Partners VII, L.P. is One Palmer Square, Suite 515, Princeton, New Jersey, 08542. Consists of (a) 12,477,086 shares of common stock issuable upon conversion of shares of Series A preferred stock held by Domain Partners VII, L.P., (b) 212,813 shares of common stock issuable upon conversion of shares of Series A preferred stock held by DP VII Associates, L.P., (c) 489,320 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock held by Domain Partners VII, L.P. and (d) 8,346 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock held by DP VII Associates, L.P. James C. Blair, Brian H. Dovey, Jesse I. Treu, Kathleen K. Schoemaker, Brian K. Halak and Nicole Vitullo, the managing members of One Palmer Square Associates VII, L.L.C., the general partner of Domain Partners VII, L.P. and DP VII Associates, L.P., share the power to vote or dispose of these shares and therefore each of the foregoing managing members may be deemed to have voting and investment power with respect to such shares. Each of the foregoing managing members disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any. Ms. Vitullo is a member of our board of directors. The percentage of shares beneficially owned after this offering would be %, assuming the purchase of all of the shares that entities affiliated with Domain Partners VII, L.P. have indicated an interest in purchasing in this offering.

(5) The address for Arboretum Ventures II, L.P. is 303 Detroit Street, Suite 301, Ann Arbor, Michigan 48104. Consists of (a) 3,175,042 shares of common stock issuable upon conversion of shares of

Series A preferred stock held by Arboretum Ventures II, L.P., (b) 743,897 shares of common stock issuable upon conversion of shares of Series A preferred stock held by Arboretum Ventures IIA, L.P., (c) 124,517 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock held by Arboretum Ventures II, L.P. and (d) 29,173 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock held by Arboretum Ventures IIA, L.P. Arboretum Investment Manager II, LLC ("AIM II") serves as the general partner of Arboretum Ventures II, L.P. and serves as the sole manager of Arboretum Investment Manager IIA, LLC, which serves as the general partner of Arboretum Ventures IIA, L.P. Jan Garfinkle and Timothy Petersen are the managing members of AIM II and share the power to vote or dispose of these shares and therefore each of the foregoing managing members may be deemed to have voting and investment power with respect to such shares. Each of the foregoing managing members disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any.

(6) The address for Longitude Capital Partners, LLC ("Longitude Capital") is 800 El Camino Real, Suite 220, Menlo Park, CA 94025. Consists of 11,764,200 shares of common stock issuable upon conversion of shares of Series A preferred stock held by Longitude Venture Partners, L.P. ("LVP"), and 235,800 shares of common stock issuable upon conversion of shares of Series A preferred stock held by Longitude Capital Associates, L.P. ("LCA"). Longitude Capital, as general partner of each of LVP and LCA, has the power to vote and dispose of securities held by each of them and may be deemed to have beneficial ownership of the shares owned by LVP and LCA. Patrick G. Enright ("Enright") and Juliet Tammenoms Bakker ("Bakker") are each managing members of Longitude Capital, and share the decision making power of Longitude Capital and may be deemed to have beneficial ownership of the shares owned by LVP and LCA. Each of Longitude Capital, Enright and Bakker disclaims beneficial ownership of all securities, except to the extent of their pecuniary interest therein. Mr. Enright is a member of our board of directors. The percentage of shares beneficially owned after this offering would be %, assuming the purchase of all of the shares that entities affiliated with Longitude Capital have indicated an interest in purchasing in this offering.

(7) Consists of 405,343 shares of common stock which Mr. Mayleben has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(8) Consists of 165,937 shares of common stock which Mr. Ignelzi has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(9) Consists of (a) 2,000,000 shares of common stock, (b) 2,103,144 shares of common stock issuable upon conversion of shares of Series A preferred stock, (c) 242,082 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock and (d) 33,245 shares of common stock which Dr. Newton has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(10) Consists of 159,999 shares of common stock which Dr. Rosenberg has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(11) Mr. Enright is a managing member of Longitude Capital which holds an aggregate of 12,000,000 shares of our common stock as disclosed in footnote 6 to this table. Mr. Enright has a passive economic interest in the general partner of each of LVP and LCA. Mr. Enright disclaims beneficial ownership of the shares held by the Longitude Capital entities, except to the extent of his pecuniary interest therein. Includes 4,166 shares of common stock which Mr. Enright has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(12) Dr. Goldstein is on the investment committee of Aisling, which holds an aggregate of 13,187,565 shares of our common stock as disclosed in footnote 3 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 30, 2013. Dr. Goldstein disclaims beneficial ownership of the shares held by Aisling, except to the extent of his pecuniary interest therein. Includes 8,333 shares of common stock which Dr. Goldstein has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(13) Mr. Janney is a managing director of Alta Partners Management VIII, LLC, which is the general partner of Alta Partners VIII, L.P., which holds an aggregate of 13,187,565 shares of our common stock as disclosed in footnote 2 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 30, 2013. Mr. Janney has a passive economic interest in the general partner of Alta Partners VIII, L.P. Mr. Janney disclaims beneficial ownership of the shares held by Alta Partners VIII, L.P., except to the extent of his pecuniary interest therein. Includes 8,333 shares of common stock which Mr. Janney has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(14) Dr. Lange is a managing member of Asset Management Ventures Fund GP LLC, which is the general partner of Asset Management Company Venture Fund, L.P., which holds 1,306,312 shares of common stock issuable upon conversion of shares of Series A preferred stock and 51,230 shares of common stock issuable upon the conversion of shares of Series A preferred stock, which are issuable upon exercise of warrants to purchase Series A preferred stock. Dr. Lange disclaims beneficial ownership of the shares held by of Asset Management Company Venture Fund, L.P., except to the extent of his pecuniary interest therein. Includes 136,869 shares of common stock which Dr. Lange has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(15) Ms. Vitullo is a managing member of One Palmer Square Associates VII, L.L.C., the general partner of Domain Partners VII, L.P. and DP VII Associates, L.P., which hold an aggregate of 13,187,565 shares of our common stock as disclosed in footnote 4 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 30, 2013. Ms. Vitullo disclaims beneficial ownership of the shares held by Domain Partners VII, L.P. and DP VII Associates, L.P., except to the extent of her pecuniary interest therein. Includes 8,333 shares of common stock which Ms. Vitullo has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 30, 2013.

(16) Certain of our existing principal stockholders, , and their affiliated entities, have indicated an interest in purchasing an aggregate of up to approximately $ million shares of our common stock in this offering at the initial public offering price. Because indications of interest are not binding agreements or commitments to purchase, these stockholders may elect not to purchase any shares in this offering. However, if any shares are purchased by such stockholders, the number of shares beneficially owned and the percentage of common stock beneficially owned after the offering will differ from that set forth in the table above. Based on the initial public offering price of $ per share, the mid-point of the estimated price range set forth on the cover page of this prospectus, if such stockholders purchase all shares they have indicated interests in purchasing, they would purchase an aggregate of shares of common stock. If such stockholders were to purchase all of these shares, the number of shares beneficially owned by entities affiliated with such stockholders will increase to , and the percentage of common stock beneficially owned after this offering will increase to %. In addition, the number of shares beneficially owned by all directors and executive officers as a group will increase to , and the percentage of common stock beneficially owned after this offering will increase to %.

DESCRIPTION OF CAPITAL STOCK

The following descriptions are summaries of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon consummation of this offering. The descriptions of the common stock and preferred stock give effect to changes to our capital structure that will occur immediately prior to the closing of this offering. We refer in this section to our amended and restated certificate of incorporation as our certificate of incorporation, and we refer to our amended and restated bylaws as our bylaws.

General

Upon completion of this offering, our authorized capital stock will consist of shares of common stock, par value $0.001 per share, and shares of preferred stock, par value $0.001 per share, all of which shares of preferred stock will be undesignated.

As of April 30, 2013, 60,021,137 shares of our common stock were outstanding and held by 21 stockholders of record. This amount assumes the conversion of all outstanding shares of our preferred stock and declared but unpaid dividends thereon into common stock, which will occur immediately prior to the closing of this offering. In addition, as of April 30, 2013, we had outstanding options to purchase 5,018,808 shares of our common stock under our 2008 Incentive Stock Option and Restricted Stock Plan, at a weighted-average exercise price of $0.31 per share, 1,152,894 of which were exercisable.

Common Stock

The holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of the stockholders. The holders of our common stock do not have any cumulative voting rights. Holders of our common stock are entitled to receive ratably any dividends declared by the board of directors out of funds legally available for that purpose, subject to any preferential dividend rights of any outstanding preferred stock. Our common stock has no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference of any outstanding preferred stock. The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

Preferred Stock

Immediately prior to the consummation of this offering, all outstanding shares of our preferred stock will be converted into shares of our common stock. Immediately prior to the consummation of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. Upon the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be more favorable than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Warrants

As of April 30, 2013, we had outstanding warrants to purchase 1,940,000 shares of Series A preferred stock. Upon the consummation of this offering, these warrants will become exercisable for shares of common stock.

Convertible Note

Pfizer holds an 8.931% convertible promissory note in the original principal amount of $5 million, which is convertible, under certain circumstances, into shares of Series A-1 preferred stock prior to the closing of this offering and into shares of common stock after the closing of this offering. The Pfizer convertible note matures on April 28, 2018 and, as of March 31, 2013, the outstanding balance, including accrued interest, was $7,694,643. On March 19, 2013, we delivered a notice to Pfizer pursuant to the terms of the note notifying Pfizer of our intent to file a registration statement for our initial public offering. Accordingly, pursuant to the terms of the note, Pfizer may not convert the note until 180 days following the effective date of this offering, at which time the note will be convertible by Pfizer into shares of common stock at the then market price.

Registration Rights

Upon the completion of this offering, the holders of shares of our common stock, including shares issuable upon the conversion of preferred stock or their permitted transferees, are entitled to rights with respect to the registration of these securities under the Securities Act. These rights are provided under the terms of (i) an investor rights agreement between us and the holders our common stock and Series A preferred stock and (ii) a registration rights and securityholder agreement between us and Pfizer. Each of the investor rights agreement and registration rights and securityholder agreement include demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses of underwritten registrations under these agreements will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

Demand Registration Rights

Upon the completion of this offering, the holders of shares of our common stock, including shares issuable upon the conversion of preferred stock or their permitted transferees, are entitled to demand registration rights. Under the terms of the investor rights agreement and registration rights and securityholder agreement, we will be required, upon the written request of holders of a majority of these securities, to use our best efforts to file a registration statement and use reasonable, diligent efforts to affect the registration of all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the investor rights agreement and registration rights and securityholder agreement. A demand for registration may not be made until 180 days after the completion of this offering.

Short Form Registration Rights

Upon the completion of this offering, the holders of shares of our common stock, including shares issuable upon the conversion of preferred stock or their permitted transferees, are also entitled to short form registration rights. Pursuant to the investor rights agreement, if we are eligible to file a registration statement on Form S-3, upon the written request of any of these holders to sell registrable securities at an aggregate price of at least $1,000,000, we will be required to use our best efforts to affect a registration of such shares. Pursuant to the registration rights and securityholder agreement, if we are eligible to file a registration statement on Form S-3, upon the written request of any of these holders to sell registrable securities at an aggregate price of at least $2,000,000, we will be required to use our best efforts to affect a registration of such shares. We are required to effect only two

registrations in any twelve month period pursuant to this provision of the investor rights agreement and registration rights and securityholder agreement.

Piggyback Registration Rights

Upon the completion of this offering, the holders of shares of our common stock, including shares issuable upon the conversion of preferred stock or their permitted transferees, are entitled to piggyback registration rights. If we register any of our securities either for our own account or for the account of other security holders, the holders of these shares are entitled to include their shares in the registration. Subject to certain exceptions contained in the investor rights agreement and the registration rights and securityholder agreement, we and the underwriters may limit the number of shares included in the underwritten offering if the underwriters determine in good faith that marketing factors require a limitation of the number of shares to be underwritten.

Indemnification

Our investor rights agreement and registration rights and securityholder agreement each contain customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

Expiration of Registration Rights

The registration rights granted under the investor rights agreement and the registration rights and securityholder agreement will terminate upon the earlier of (i) the third anniversary of the completion of this offering or (ii) with respect to an individual stockholder, at such time as such stockholder holds less than 1% of our outstanding common stock.

Anti-Takeover Effects of our Certificate of Incorporation and Bylaws and Delaware Law

Our certificate of incorporation and bylaws include a number of provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us and encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board Composition and Filling Vacancies

Our certificate of incorporation provides for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our certificate of incorporation also provides that directors may be removed only for cause and then only by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. The classification of directors, together with the limitations on removal of directors and treatment of vacancies, has the effect of making it more difficult for stockholders to change the composition of our board of directors.

No Written Consent of Stockholders

Our certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take

stockholder actions and would prevent the amendment of our bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

Meetings of Stockholders

Our certificate of incorporation and bylaws provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements

Our bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting.

Amendment to Certificate of Incorporation and Bylaws

Any amendment of our certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our certificate of incorporation, must thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, board composition, limitation of liability and the amendment of our certificate of incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment, and not less than 75% of the outstanding shares of each class entitled to vote thereon as a class. Our bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the bylaws; and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if our board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Undesignated Preferred Stock

Our certificate of incorporation provides for authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Section 203 of the Delaware General Corporation Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Exchange Listing

We have applied to list our common stock on the NASDAQ Global Market under the trading symbol "ESPR."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be . The transfer agent and registrar's address is

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our shares. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of April 30, 2013, upon the completion of this offering, shares of our common stock will be outstanding, assuming no exercise of the underwriters' over-allotment option to purchase additional shares and no exercise of outstanding options or warrants. Of the outstanding shares, all of the shares sold in this offering will be freely tradable, except that any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the limitations described below.

Rule 144

In general, a person who has beneficially owned restricted stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Securities Exchange Act of 1934, as amended, periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares then outstanding, which will equal approximately shares immediately after this offering assuming no exercise of the underwriters' over-allotment option to purchase additional shares, based on the number of shares outstanding as of April 30, 2013; or
- the average weekly trading volume of our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the applicable current public information provisions of Rule 144 and such sales by affiliates must also comply with the manner of sale and notice provisions of Rule 144.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under "Underwriting" included elsewhere in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Lock-Up Agreements

All of our directors, executive officers and stockholders, who collectively hold all of our shares of common stock, have signed a lock-up agreement in favor of the underwriters which prevents them from selling any of our common stock or any securities convertible into or exercisable or exchangeable for common stock for a period of not less than 180 days from the date of this prospectus without the prior written consent of the representatives subject to certain exceptions set forth in "Underwriting". Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc., on behalf of the underwriters, may in their joint discretion and at any time release some or all of the shares subject to lock-up agreements prior to the expiration of the 180-day period. When determining whether or not to release shares from the lock-up agreements, Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. will consider, among other factors, the stockholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Registration Rights

Upon completion of this offering, the holders of shares of common stock or their transferees will be entitled to various rights with respect to registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See "Description of Capital Stock—Registration Rights" for additional information.

Stock Option Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register our shares issued or reserved for issuance under our stock option plans. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the Securities and Exchange Commission. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above. As of , 2013, we estimate that such registration statement on Form S-8 will cover approximately shares.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax considerations relating to the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This summary deals only with our common stock held as a capital asset by a stockholder, and does not discuss the U.S. federal income tax considerations applicable to a stockholder that is subject to special treatment under U.S. federal income tax laws, including: a dealer in securities or currencies; a financial institution; a regulated investment company; a real estate investment trust; a tax-exempt organization; an insurance company; a person holding our common stock as part of a hedging, integrated, conversion or straddle transaction or a person deemed to sell our common stock under the constructive sale provisions of the Code; a trader in securities that has elected the mark-to-market method of accounting; an entity that is treated as a partnership for U.S. federal income tax purposes; a person that received our common stock in connection with services provided to the company or any of its affiliates; a U.S. person whose "functional currency" is not the U.S. dollar; a "controlled foreign corporation;" a "passive foreign investment company;" or a U.S. expatriate.

This summary is based upon provisions of the Code, and applicable regulations, rulings and judicial decisions in effect as of the date hereof. Those authorities may be changed, perhaps with retroactive effect, or may be subject to differing interpretations, so as to result in U.S. federal income tax consequences different from those discussed below. No assurance can be given that the Internal Revenue Service, or IRS, would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. We have not sought and will not seek an advance ruling from the IRS regarding any matter discussed herein. This summary does not address all aspects of U.S. federal income tax, does not deal with all tax considerations that may be relevant to stockholders in light of their personal circumstances and does not address any state, local, foreign, gift, estate or alternative minimum tax considerations.

For purposes of this discussion, a "U.S. holder" is a beneficial holder of our common stock that is: an individual citizen or resident of the United States for U.S. federal income tax purposes; a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; an estate the income of which is subject to U.S. federal income taxation regardless of its source; or a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

For purposes of this discussion, a "non-U.S. holder" is a beneficial holder of our common stock (other than a partnership or any other entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

If a partnership (or an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding our common stock is urged to consult its own tax advisors.

Holders of our common stock are urged to consult their own tax advisors concerning the tax considerations related to the acquisition, ownership and disposition of our common stock in light of their particular circumstances, as well as any tax considerations arising under the laws of any other jurisdiction, including any state, local and foreign income and other tax laws.

U.S. Holders

The following discussion is a summary of certain U.S. federal income tax considerations relevant to a U.S. holder of our common stock.

Distributions

Distributions with respect to our common stock, if any, will generally be includible in the gross income of a U.S. holder as ordinary dividend income to the extent paid out of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. Any portion of a distribution in excess of current or accumulated earnings and profits would be treated as a return of the holder's adjusted tax basis in our common stock (to the extent thereof) and as such would not be taxable to a U.S. holder. To the extent that such distribution exceeds the U.S. holder's adjusted tax basis in our common stock, such excess will be taxable as capital gain from the sale or exchange of the common stock. If certain requirements are met (including certain holding period requirements), any dividends paid to a holder of our common stock who is a U.S. individual will generally be subject to U.S. federal income tax at favorable capital gain rates applicable to the individual.

Distributions constituting dividends for U.S. federal income tax purposes that are paid to U.S. holders that are corporations may qualify for the 70% dividends received deduction, or DRD, which is generally available to corporate stockholders that own less than 20% of the voting power or value of the outstanding stock of the distributing corporation. A U.S. holder that is a corporation holding 20% or more of the distributing corporation (by vote and value) may be eligible for an 80% DRD with respect to any such dividends. No assurance can be given that we will have sufficient earnings and profits (as determined for U.S. federal income tax purposes) to cause any distributions to be treated as dividends eligible for a DRD. In addition, a DRD is available only if certain other requirements are satisfied, and a DRD may be subject to limitations in certain circumstances, which are not discussed herein.

Sale, Exchange, Redemption or Certain Other Taxable Dispositions of our Common Stock

A U.S. holder of our common stock will generally recognize gain or loss on the taxable sale, exchange, redemption (provided the redemption is treated as a sale or exchange), or other taxable disposition of such stock in an amount equal to the difference between such U.S. holder's amount realized on the sale and such U.S. holder's adjusted basis in our common stock sold. A U.S. holder's amount realized should equal the amount of cash and the fair market value of any property received in consideration for our common stock sold. The gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder held our common stock for more than one year at the time of disposition. Capital loss can generally only be used to offset capital gain (individuals may also offset excess capital losses against up to $3,000 of ordinary income per tax year). In general, long-term capital gain recognized by an individual U.S. holder is subject to U.S. federal income tax at favorable capital gain rates applicable to the individual. Any gain recognized by a U.S. holder on a disposition of our common stock will generally be short-term capital gain and will be taxed at ordinary income rates if the U.S. holder held our common stock for one year or less at the time of disposition.

Medicare Tax on Net Investment Income

An additional 3.8% Medicare tax will be imposed on certain net investment income of certain U.S. holders that are individuals, estates and trusts that do not fall into a special class of trusts that is exempt from such tax to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount. Net investment income generally includes dividends and net gains from the disposition of our common stock. U.S. holders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of the Medicare tax on their ownership and disposition of our common stock.

Information Reporting and Backup Withholding Tax

When required, we or our paying agent will report to our U.S. holders and the IRS the amounts paid on or with respect to our common stock during each calendar year, and the amount of any tax withheld from such payments. Under U.S. federal income tax law, dividends and proceeds from the sale of our common stock may, under certain circumstances, be subject to "backup" withholding at the then applicable rate. Backup withholding generally applies to a U.S. holder if the holder (i) fails to furnish to us or our paying agent a correct social security number or other taxpayer identification number, or TIN, or fails to furnish a certification of exempt status, (ii) has been notified by the IRS that it is subject to backup withholding as a result of the failure to properly report payments of interest or dividends or (iii) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is a U.S. person that is not subject to backup withholding. A U.S. holder may be eligible for an exemption from backup withholding by providing a properly completed IRS Form W-9 to us or the applicable paying agent. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is supplied to the IRS. Certain U.S. persons are exempt from backup withholding, including corporations.

Non-U.S. Holders

The following is a summary of certain U.S. federal tax considerations applicable to a non-U.S. holder of our common stock.

Distributions

Distributions treated as dividends for U.S. federal income tax purposes, if any, that are paid to a non-U.S. holder with respect to shares of our common stock will be subject to U.S. federal withholding tax at a 30% rate (or a lower rate prescribed by an applicable tax treaty) unless the dividends are subject to net income tax because they are effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, as described in the following sentence. If a non-U.S. holder is engaged in a trade or business in the United States and dividends with respect to our common stock are effectively connected with the conduct of such trade or business and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment or fixed base, then the non-U.S. holder will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if received by a U.S. holder (although the dividends will be exempt from the 30% U.S. federal withholding tax, provided certain certification requirements are satisfied). Any such effectively connected income received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate (or a lower rate prescribed by an applicable tax treaty). To claim the exemption from withholding with respect to any such effectively connected income, the non-U.S. holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or applicable successor form).

A non-U.S. holder who wishes to claim the benefit of an exemption or reduced rate of U.S. federal withholding tax under an applicable tax treaty must furnish to us or our paying agent a valid IRS Form W-8BEN (or applicable successor form) certifying such non-U.S. holder's qualification for the exemption or reduced rate. If a non-U.S. holder is eligible for an exemption or a reduced rate of U.S. federal withholding tax pursuant to an applicable tax treaty, it may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

A non-U.S. holder will not incur tax on a distribution in excess of our current and accumulated earnings and profits if the excess portion of the distribution does not exceed the non-U.S. holder's adjusted basis in our common stock. Instead, the excess portion of the distribution will reduce such non-U.S. holder's adjusted basis in our common stock. A non-U.S. holder will generally only be subject

to tax on a distribution that exceeds both our current and accumulated earnings and profits and such non-U.S. holder's adjusted basis in our common stock if the non-U.S. holder otherwise would be subject to tax on gain from the sale or disposition of our common stock, as described below. If we are not able to determine whether or not a distribution will exceed current and accumulated earnings and profits at the time the distribution is made, we may withhold tax on the entire amount of any distribution at the same rate as we would withhold on a dividend. However, a non-U.S. holder may obtain a refund of amounts that we withhold to the extent that the distribution in fact exceeded our current and accumulated earnings and profits.

Sale, Exchange, Redemption or Certain Other Taxable Dispositions of our Common Stock

Non-U.S. holders may recognize gain upon the sale, exchange, redemption (provided the redemption is treated as a sale or exchange) or other taxable disposition of our common stock. Such gain generally will not be subject to U.S. federal income tax unless: (i) the gain is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or a fixed base), by a non-U.S. holder; (ii) the non-U.S. holder is a non-resident alien individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or (iii) we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes. We believe that we are not and we do not anticipate becoming a "U.S. real property holding corporation" for U.S. federal income tax purposes.

If a non-U.S. holder is an individual described in clause (i) of the preceding paragraph, the non-U.S. holder will generally be subject to tax on the net gain from a disposition of our common stock at regular graduated U.S. federal income tax rates. If the non-U.S. holder is an individual described in clause (ii) of the preceding paragraph, the non-U.S. holder will generally be subject to a flat 30% tax on the net gain from a disposition of our common stock, which may be offset by U.S. source capital losses even though the non-U.S. holder is not considered a resident of the United States. If a non-U.S. holder is a foreign corporation that falls under clause (i) of the preceding paragraph, it will be subject to tax on its net gain on a disposition of our common stock in the same manner as if it were a U.S. holder and, in addition, the non-U.S. holder may be subject to the branch profits tax at a rate equal to 30% of its effectively connected earnings and profits (or a lower rate prescribed by an applicable tax treaty). If a non-U.S. holder is eligible for the benefits of a tax treaty between the United States and its country of residence, any gain on a disposition of our common stock will be subject to U.S. federal income tax in the manner specified by such treaty. To claim the benefit of an applicable tax treaty, a non-U.S. holder must properly submit an IRS Form W-8BEN (or suitable successor or substitute form).

Information Reporting and Backup Withholding Tax

When required, we or our paying agent will report to our non-U.S. holders of our common stock and the IRS the amounts paid on or with respect to our common stock during each calendar year, and the amount of any tax withheld. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the non-U.S. holder's conduct of a United States trade or business, or withholding was reduced or eliminated by an applicable tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Information reporting with respect to proceeds of a sale or other disposition and backup withholding with respect to distributions or sale proceeds, however, generally will not apply to a non-U.S. holder of our common stock provided the non-U.S. holder furnishes to us or our paying agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person (as

defined by the Code) that is not an exempt recipient. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is provided to the IRS.

New Medicare Tax Legislation

Foreign estates and trusts may be subject to the Medicare tax described above under "Material U.S. Federal Income Tax Considerations—U.S. Holders—Medicare Tax on Net Investment Income." Any non-U.S. holder that is a foreign estate or trust should consult its tax advisor regarding the applicability of the Medicare contribution tax to any of its income or gains in respect of our common stock.

Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance Act, or FATCA, a 30% withholding tax will apply to dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a foreign financial institution (as specifically defined for purposes of these rules) unless the foreign financial institution either qualifies for an exemption or enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a foreign non-financial entity unless the entity qualifies for an exemption, certifies that it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. Such payments would include U.S.-source dividends and the gross proceeds from the sale or other disposition of stock that can produce U.S.-source dividends. Withholding obligations under FATCA will generally apply to payments of dividends made on or after January 1, 2014, and payments of gross proceeds made on or after January 1, 2017.

Holders of our common stock should consult their tax advisors regarding the possible impact of FATCA on their investment in our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2013, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. are acting as representatives the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
Citigroup Global Markets Inc.	
JMP Securities LLC	
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel including the validity of the shares, and subject to other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The offering of the shares by the underwriters is also subject to the underwriters' right to reject any order in whole or in part.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of up to $ per share. After the initial public offering the representatives may change the public offering price and selling concession.

The following table summarizes the compensation we will pay:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by us	$	$	$	$

We estimate that our out of pocket expenses for this offering (not including any underwriting discounts and commissions) will be approximately $.

We have agreed to reimburse the underwriters for expenses of approximately $ related to clearance of this offering with the Financial Industry Regulatory Authority, Inc. (FINRA).

The underwriters have informed us that they do not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the shares of common stock being offered.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the

Securities Act of 1933, as amended (the "Securities Act") relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. for a period of 180 days after the date of this prospectus except issuances pursuant to the conversion or exchange of convertible or exchangeable securities outstanding on the date hereof or the exercise of warrants or options outstanding on the date hereof, grants of employee stock options pursuant to our existing plans or issuances pursuant to the exercise of such employee stock options.

Our officers, directors and all of our existing securityholders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC and Citigroup Global Markets Inc. for a period of 180 days after the date of this prospectus. The restrictions described in this paragraph do not apply to:

- the sale of shares to the underwriters;
- transfers of shares as a bona fide gift, transfers of shares or other of our securities to a trust or limited family partnership for the benefit of the lock-up signatory or members of the lock-up signatory's immediate family, or transfers of shares by will or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the lock-up signatory in a transaction not involving a disposition for value; provided that (i) each transferee agrees to be bound in writing by the restrictions described above and (ii) no filing or public announcement under the Exchange Act shall be required or voluntarily made in connection with such event, other than a filing on a Securities and Exchange Commission Form 5 ("Form 5") made after the expiration of the lock-up period;
- the exercise, including by "net" exercise, of any options or warrants to acquire shares or the conversion of any convertible security into shares, provided that (i) each transferee agrees to be bound in writing by the restrictions described above and (ii) no filing or public announcement under the Exchange Act shall be required or voluntarily made in connection with such event, other than a filing on a Form 5 made after the expiration of the lock-up period;
- transfers or distributions of shares to members, limited partners, stockholders or affiliates of, or any investment fund or other entity that controls or manages the lock-up signatory, provided that (i) each transferee agrees to be bound in writing by the restrictions described above and (ii) no filing or public announcement under the Exchange Act shall be required or voluntarily made in connection with such event, other than a filing on a Form 5 made after the expiration of the lock-up period;
- transfers or distributions in connection with a merger or sale of us;
- the entering into by the lock-up signatory of a written trading plan pursuant to Rule 10b5-1 of the Exchange Act during the lock-up period, provided that no sales of the lock-up signatory's shares shall be made pursuant to such plan prior to the expiration of the lock-up period; or
- shares purchased by the lock-up signatory in this offering.

We have agreed to indemnify the several underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

We intend to apply to list our common stock on The NASDAQ Global Market under the symbol "ESPR".

Prior to the offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In determining the initial public offering price, we and the representatives expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the underwriters;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the recent market prices of, and demand for, publicly-traded common stock of generally comparable companies;
- the general condition of the securities markets at the time of the offering; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock, or that shares of our common stock will trade in the public market at or above the initial public offering price.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, penalty bids and passive market making in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment transactions involve sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, creating a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

- In passive market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, over-allotment transactions, syndicate covering transactions, penalty bids and passive market making may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on The NASDAQ Global Market or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities.

Selling Restrictions

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of shares which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

Each of the underwriters severally represents, warrants and agrees as follows:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the shares in circumstances in which Section 21 of the FSMA does not apply to us; and

(b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, Menlo Park, California.

EXPERTS

The financial statements of Esperion Therapeutics, Inc. at December 31, 2012 and 2011, and for each of the two years in the period ended December 31, 2012 and the period from January 22, 2008 (Inception) to December 31, 2012, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1 to the financial statements) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm, as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (File Number 333-) under the Securities Act with respect to the common stock we are offering by this prospectus. This prospectus does not contain all of the information included in the registration statement. For further information pertaining to us and our common stock, you should refer to the registration statement and to its exhibits. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

Upon the closing of the offering, we will be subject to the informational requirements of the Securities Exchange Act of 1934 and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Index to the Financial Statements

Years Ended December 31, 2012 and 2011, Period From
January 22, 2008 (Inception) to December 31, 2012,
the Three Months Ended March 31, 2013 and March 31, 2012 (unaudited)
and Period From January 22, 2008 (Inception) to March 31, 2013 (unaudited)

Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Esperion Therapeutics, Inc.

We have audited the accompanying balance sheets of Esperion Therapeutics, Inc. (a development stage company) (the Company) as of December 31, 2012 and 2011, and the related statements of operations, convertible preferred stock and stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2012, and for the period from January 22, 2008 (Inception) to December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Esperion Therapeutics, Inc. at December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2012, and for the period from January 22, 2008 (Inception) through December 31, 2012, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming Esperion Therapeutics, Inc. will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has recurring losses from operations, a net equity deficiency and a need for additional financing to maintain sufficient liquidity that raise substantial doubt about its ability to continue as a going concern. Management's plans for these matters are also described in Note 1. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin
April 12, 2013
except for Note 1 and Note 18, as to which the date is April 19, 2013

Esperion Therapeutics, Inc.
(A Development Stage Company)

Balance Sheets

	December 31, 2012	December 31, 2011	March 31, 2013 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 6,511,521	$ 1,571,084	$ 3,886,216
Prepaid clinical development costs	367,216	—	443,769
Deferred offering costs	—	—	623,029
Other prepaid and current assets	150,325	92,846	87,961
Assets held for sale	109,344	200,116	82,344
Total current assets	7,138,406	1,864,046	5,123,319
Property and equipment, net	120,210	251,527	87,932
Intangible assets	53,825	53,825	53,825
Other long-term assets	—	10,352	—
Total assets	$ 7,312,441	$ 2,179,750	$ 5,265,076
Liabilities, convertible preferred stock and stockholders' deficit			
Current liabilities:			
Short term borrowings with related parties, net of debt discount	$ 15,241,007	$ —	$ —
Accrued interest	738,192	—	165,798
Accounts payable	476,277	691,180	926,819
Accrued clinical development costs	242,171	204,875	627,759
Warrant liabilities	265,323	—	307,281
Other accrued liabilities	210,329	443,173	659,390
Total current liabilities	17,173,299	1,339,228	2,687,047
Long-term debt	7,528,845	6,897,328	7,528,845
Total liabilities	24,702,144	8,236,556	10,215,892
Commitments and contingencies (Note 7)			
Convertible preferred stock:			
Series A preferred stock par value $0.001; 42,538,092 shares authorized as of March 31, 2013 (unaudited) and 34,785,000 shares authorized as of December 31, 2012 and 2011, 40,598,092 shares issued and outstanding at March 31, 2013 (unaudited) and 23,975,000 shares issued and outstanding at December 31, 2012 and 2011, aggregate liquidation preference of $40,598,092 at March 31, 2013 (unaudited) and $23,975,000 at December 31, 2012 and 2011	23,975,000	23,975,000	40,598,092
Stockholders' deficit:			
Common stock, $0.001 par value; 58,220,375 shares authorized as of March 31, 2013 (unaudited) and 50,000,000 shares authorized as of December 31, 2012 and 2011, respectively; 2,420,545 shares issued and outstanding at March 31, 2013 (unaudited) and December 31, 2012, respectively and 2,149,921 shares issued and outstanding at December 31, 2011	2,421	2,150	2,421
Additional paid-in capital	607,901	199,333	662,873
Deficit accumulated during the development stage	(41,975,025)	(30,233,289)	(46,214,202)
Total stockholders' deficit	(41,364,703)	(30,031,806)	(45,548,908)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 7,312,441	$ 2,179,750	$ 5,265,076

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Statements of Operations

	Years Ended December 31,		Period From January 22, 2008 (Inception) to December 31,	Three Months Ended March 31,		Period From January 22, 2008 (Inception) to March 31,
	2012	2011	2012	2013 (unaudited)	2012 (unaudited)	2013 (unaudited)
Grant income	$ —	$ —	$ 244,479	$ —	$ —	$ 244,479
Operating expenses:						
Research and development	7,998,128	7,807,702	27,413,861	2,092,593	1,557,211	29,506,454
General and administrative	2,205,632	2,356,669	11,449,696	1,251,419	632,372	12,701,115
Acquired in-process research and development	—	—	85,612	—	—	85,612
Total operating expenses	10,203,760	10,164,371	38,949,169	3,344,012	2,189,583	42,293,181
Loss from operations	(10,203,760)	(10,164,371)	(38,704,690)	(3,344,012)	(2,189,583)	(42,048,702)
Interest expense	(1,486,696)	(577,157)	(3,384,116)	(828,223)	(260,428)	(4,212,339)
Change in fair value of warrant liability	32,367	—	32,367	(41,958)	—	(9,591)
Other income (expense), net	(83,647)	(75,813)	81,414	(24,984)	1,059	56,430
Net loss	$ (11,741,736)	$ (10,817,341)	$ (41,975,025)	$ (4,239,177)	$ (2,448,952)	$ (46,214,202)
Net loss per common share (basic and diluted)	$ (5.20)	$ (5.18)		$ (1.75)	$ (1.14)	
Weighted-average shares outstanding (basic and diluted)	2,259,480	2,086,373		2,420,545	2,149,921	
Pro Forma net loss per share applicable to common stockholders—basic and diluted (unaudited)	$ (0.45)			$ (0.12)		
Weighted-average number of common shares used in pro forma net loss per share applicable to common stockholders—basic and diluted (unaudited)	26,234,480			35,261,194		

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Statements of Convertible Preferred Stock and Stockholders' Deficit

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at January 22, 2008 (inception)	—	$ —	—	$ —	$ —	$ —	$ —
Issuance of Series A preferred stock on April 24, 2008	10,000,000	10,000,000	—	—	—	—	—
Issuance of Series A preferred stock on April 24, 2008 in exchange for convertible note	250,000	250,000	—	—	—	—	—
Issuance of common stock, on April 24, 2008 at $0.0001 per share	—	—	2,000,000	2,000	(1,800)	—	200
Exercise of employee stock options on June 30, 2009	—	—	25,000	25	3,725	—	3,750
Issuance of Series A preferred stock on January 27, 2010	6,000,000	6,000,000	—	—	—	—	—
Issuance of Series A preferred stock on April 7, 2010	1,000,000	1,000,000	—	—	—	—	—
Issuance of Series A preferred stock on November 23, 2010	25,000	25,000	—	—	—	—	—
Stock-based compensation	—	—	—	—	98,796	—	98,796
Net loss	—	—	—	—	—	(19,415,948)	(19,415,948)
Balance at December 31, 2010	17,275,000	17,275,000	2,025,000	2,025	100,721	(19,415,948)	(19,313,202)
Issuance of Series A preferred stock on January 28, 2011	6,700,000	6,700,000	—	—	—	—	—
Exercise of employee stock options on May 20, 2011	—	—	83,359	83	12,484	—	12,567
Exercise of employee stock options on August 12, 2011	—	—	21,562	22	3,297	—	3,319
Issuance of common stock on December 7, 2011 in consideration for a license agreement	—	—	20,000	20	4,380		4,400
Stock-based compensation	—	—	—	—	78,451	—	78,451
Net loss	—	—	—	—	—	(10,817,341)	(10,817,341)
Balance at December 31, 2011	23,975,000	23,975,000	2,149,921	2,150	199,333	(30,233,289)	(30,031,806)
Exercise of employee stock options on April 30, 2012	—	—	113,124	113	17,249	—	17,362
Exercise of employee stock options on September 24, 2012	—	—	100,000	100	14,900	—	15,000
Exercise of employee stock options on November 6, 2012	—	—	7,500	8	1,118	—	1,126
Exercise of employee stock options on November 23, 2012	—	—	50,000	50	7,450	—	7,500
Beneficial conversion feature from issuance of convertible notes	—	—	—	—	287,990	—	287,990
Stock-based compensation	—	—	—	—	79,861	—	79,861
Net loss	—	—	—	—	—	(11,741,736)	(11,741,736)
Balance December 31, 2012	23,975,000	23,975,000	2,420,545	2,421	607,901	(41,975,025)	(41,364,703)
Issuance of Series A preferred stock on February 12, 2013 in exchange for convertible promissory notes (unaudited)	16,623,092	16,623,092	—	—	—	—	—
Stock-based compensation (unaudited)	—	—	—	—	54,972	—	54,972
Net loss (unaudited)	—	—	—	—	—	(4,239,177)	(4,239,177)
Balance March 31, 2013 (unaudited)	40,598,092	$ 40,598,092	2,420,545	$ 2,421	$ 662,873	$ (46,214,202)	$ (45,548,908)

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Statements of Cash Flows

	Years Ended December 31,		Period From January 22, 2008 (Inception) to December 31,	Three Months Ended March 31,		Period From January 22, 2008 (Inception) to March 31,
	2012	2011	2012	2013 (unaudited)	2012 (unaudited)	2013 (unaudited)
Operating activities						
Net loss	$ (11,741,736)	$ (10,817,341)	$ (41,975,025)	$ (4,239,177)	$ (2,448,952)	$ (46,214,202)
Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation expense	139,433	178,471	1,377,171	32,278	36,861	1,409,449
Amortization of debt discount and beneficial conversion feature	116,988	—	116,988	458,993	—	575,981
Amortization of debt issuance costs	15,378	—	15,378	18,533	1,861	33,911
Change in fair value of warrant liability	(32,367)	—	(32,367)	41,958	—	9,591
Noncash interest expense on convertible notes	1,369,709	577,065	3,267,037	350,698	260,428	3,617,735
Write-off of acquired in-process research and development	—	—	85,612	—	—	85,612
Stock-based compensation expense	79,861	78,451	257,108	54,972	16,142	312,080
Common stock issued in license agreement	—	4,400	4,400	—	—	4,400
Loss related to assets held for sale	86,887	108,308	295,701	27,000	—	322,701
Gain on sale of assets	(2,549)	—	(18,459)	(1,265)	(1,949)	(19,724)
Change in assets and liabilities:						
Prepaids and other assets	(429,720)	168,277	(536,770)	(655,751)	(3,092)	(1,192,521)
Accounts payable	(214,903)	619,238	476,277	450,542	(429,650)	926,819
Other accrued liabilities	(195,548)	14,406	452,497	834,649	(117,154)	1,287,146
Net cash used in operating activities	(10,808,567)	(9,068,725)	(36,214,452)	(2,626,570)	(2,685,505)	(38,841,022)
Investing activities						
Purchases of short-term investments	—	—	(31,569,166)	—	—	(31,569,166)
Proceeds from maturities of short-term investments	—	500,350	31,515,350	—	—	31,515,350
Unrealized loss on short-term investments	—	—	11	—	—	11
Cash obtained in stock acquisition	—	—	2,500,000	—	—	2,500,000
Proceeds from sale of assets	5,100	42,312	751,199	1,265	4,500	752,464
Purchase of property and equipment	(6,783)	(33,635)	(267,559)	—	(10,668)	(267,559)
Other investing	—	—	50,615	—	—	50,615
Net cash (used in) provided by investing activities	(1,683)	509,027	2,980,450	1,265	(6,168)	2,981,715
Financing activities						
Proceeds from issuance of common stock	40,987	15,886	60,823	—	—	60,823
Proceeds from issuance of preferred stock	—	6,700,000	23,975,000	—	—	23,975,000
Proceeds from warrant issuance	297,690	—	297,690	—	—	297,690
Proceeds from debt issuance with related parties	15,412,010	—	15,412,010	—	6,000,000	15,412,010
Net cash provided by financing activities	15,750,687	6,715,886	39,745,523	—	6,000,000	39,745,523
Net increase (decrease) in cash and cash equivalents	4,940,437	(1,843,812)	6,511,521	(2,625,305)	3,308,327	3,886,216
Cash and cash equivalents at beginning of period	1,571,084	3,414,896	—	6,511,521	1,571,084	—
Cash and cash equivalents at end of period	$ 6,511,521	$ 1,571,084	$ 6,511,521	$ 3,886,216	$ 4,879,411	$ 3,886,216
Supplemental disclosure of cash flow information:						
Conversion of convertible promissory notes, including accrued interest of $923,092 into preferred stock	$ —	$ —		$ 16,623,092	$ —	$ 16,623,092

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

1. The Company and Basis of Presentation

The Company is a biopharmaceutical company focused on the research, development and commercialization of therapies for the treatment of patients with elevated levels of low-density lipoprotein cholesterol and other cardiometabolic risk factors. ETC-1002, the Company's lead product candidate, is a novel, first in class, orally available, once-daily small molecule therapy designed to target known lipid and carbohydrate metabolic pathways to reduce levels of LDL-C and to avoid the side effects associated with existing LDL-C lowering therapies. The Company owns the exclusive worldwide rights to ETC-1002 and its other product candidates.

HDL Therapeutics, Inc. (HDL) was incorporated in the state of Delaware on January 22, 2008. On April 28, 2008, HDL acquired all of the capital stock of Esperion Therapeutics, Inc. (Esperion), a wholly owned subsidiary of Pfizer Inc. (see Note 3). On May 5, 2008, Esperion was merged with and into HDL and the Company assumed the name Esperion Therapeutics, Inc. (the Company). Its facilities are located in Plymouth, Michigan.

The Company's primary activities since incorporation have been recruiting personnel, conducting research and development activities, conducting pre-clinical and clinical testing, performing business and financial planning, and raising capital. Accordingly, the Company is considered to be in the development stage.

The Company is subject to the risks associated with a development stage entity, which include: the need to research, develop, and clinically test potentially therapeutic products; obtain regulatory approval for its products and commercialize them, if approved; expand its management and scientific staff; and finance its operations with an ultimate goal of achieving profitable operations.

The Company has sustained operating losses since inception and expects such losses to continue over the foreseeable future. Management plans to continue to finance operations with a combination of public and private equity issuances, debt arrangements, collaborations and strategic and licensing arrangements. If adequate funds are not available, the Company may not be able to continue the development of its current or future product candidates, or to commercialize its current or future product candidates, if approved.

Going Concern

The Company has relied on its ability to obtain funding for operations through private equity and debt financings. Management expects to incur significant expenses, increasing operating losses, and negative cash flows for the foreseeable future. The Company expects its expenses to increase in connection with conducting additional clinical trials of its lead product candidate, seeking regulatory approval for its lead product candidate and commercializing its lead product candidate, if approved. The Company may never achieve profitability and, as such, will need to raise additional cash. Accordingly, it will seek to fund its operations through public or private equity or debt financings or other sources. The Company plans to issue additional securities to finance its operating and capital requirements. While the Company expects to obtain additional financing, there is no assurance the Company will be successful in obtaining the funding necessary for future operations. Based on the

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

1. The Company and Basis of Presentation (Continued)

Company's operating plan, existing working capital at December 31, 2012 was not sufficient to sustain operations through December 31, 2013 without additional sources of cash. On April 19, 2013, the Company issued an aggregate of 17,000,000 shares of Series A preferred stock to funds affiliated with Longitude Capital and certain existing investors, for an aggregate purchase price of $17.0 million. The financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures. Actual results could differ from those estimates.

The Company utilizes significant estimates and assumptions in determining the fair value of its Common Stock. The Company utilized valuation methodologies in accordance with the framework of the 2004 American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, to estimate the fair value of its Common Stock. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates and assumptions include a number of objective and subjective factors, including external market conditions affecting the biotechnology industry sector, the prices at which the Company sold shares of its Preferred Stock, the superior rights and preferences of securities senior to its Common Stock at the time and the likelihood of achieving a liquidity event, such as an initial public offering or sale. Significant changes to the key assumptions used in the valuations could result in different fair values of Common Stock at each valuation date.

Unaudited Interim Financial Information

The accompanying interim balance sheet as of March 31, 2013, statements of operations and cash flows for the three months ended March 31, 2013 and 2012 and for the period from January 22, 2008 (Inception) to March 31, 2013 and the statement of convertible preferred stock and stockholder's deficit for the three months ended March 31, 2013 are unaudited. The interim unaudited financial statements have been prepared in accordance with GAAP on the same basis as the annual audited financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for a fair statement of the Company's financial position as of March 31, 2013 and the results of its operations and cash flows for the three months ended March 31, 2013 and 2012 and for the period from January 22, 2008 (Inception) to March 31, 2013. The financial data and other information disclosed in these Notes to the financial statements related to the three month periods ended March 31, 2013 and 2012 and for the period from January 22, 2008 (Inception) to March 31, 2013 are unaudited. The results for the three months ended March 31, 2013 are not

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

2. Summary of Significant Accounting Policies (Continued)

necessarily indicative of results to be expected for a full fiscal year, any other interim periods or any future year or period.

Cash and Cash Equivalents

The Company invests its excess cash in bank deposits, money market accounts, and short-term investments. The Company considers all highly liquid investments with an original maturity of 90 days or less at the time of purchase to be cash equivalents.

Concentration of Credit Risk

Cash, cash equivalents, and marketable securities consist of financial instruments that potentially subject the Company to concentrations of credit risk. The Company has established guidelines for investment of its excess cash and believes the guidelines maintain safety and liquidity through diversification of counterparties and maturities.

Segment Information

The Company views its operations and manages its business in one operating segment, which is the business of researching, developing and commercializing therapies for the treatment of patients with elevated levels of low-density lipoprotein cholesterol and other cardiometabolic risk factors.

Fair Value of Financial Instruments

The Company's financial instruments consist principally of cash and cash equivalents, other current assets, accounts payable and accrued liabilities that approximate their carrying value at December 31, 2012 and 2011.

Property and Equipment, Net

Property and equipment are recorded at cost, less accumulated depreciation (see Note 9). Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, generally three to ten years. Leasehold improvements are amortized over the lesser of the lease term or the estimated useful lives of the related assets.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. The impairment loss, if recognized, would be based on the excess of the carrying value of the impaired asset over its respective fair value. Excluding impairment losses recorded on assets held for sale, no other impairment losses have been recorded through December 31, 2012.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

2. Summary of Significant Accounting Policies (Continued)

Research and Development

Research and development expenses consist of costs incurred to further the Company's research and development activities and include salaries and related benefits, costs associated with pre-clinical studies and trials, non-clinical activities (such as toxicology studies), regulatory activities, manufacturing activities to support clinical activities, research-related overhead expenses, and fees paid to external service providers that conduct certain research and development, clinical, and manufacturing activities on behalf of the Company. Research and development costs are expensed as incurred.

In-Process Research and Development

In April 2008, the Company acquired certain tangible research and development assets and intellectual property from Pfizer Inc. (Pfizer) (see Note 3). As the acquired in-process research and development had not reached technological feasibility and had no alternative future uses in connection with this asset and intellectual property acquisition and the related purchase price allocation, the Company expensed $85,612 as in-process research and development costs in 2008.

Accrued Clinical Development Costs

Outside research costs are a component of research and development expense. These expenses include fees paid to contract research organizations and other service providers that conduct certain clinical and product development activities on behalf of the Company. Depending upon the timing of payments to the service providers, the Company recognizes prepaid expenses or accrued expenses related to these costs. These accrued or prepaid expenses are based on management's estimates of the work performed under service agreements, milestones achieved and experience with similar contracts. The Company monitors each of these factors and adjusts estimates accordingly.

Income Taxes

The Company utilizes the liability method of accounting for income taxes as required by Accounting Standards Codification (ASC) 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and the tax basis of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company has incurred operating losses since inception. Accordingly, it is not more likely than not that the Company will realize deferred tax assets and as such, it has recorded a full valuation allowance.

Warrants to Purchase Preferred Stock

The Company accounts for its warrants issued in connection with its various financing transactions based upon the characteristics and provisions of the instrument. Warrants classified as derivative liabilities are recorded on the Company's balance sheet at their fair value on the date of issuance and are marked-to-market on each subsequent reporting period, with the fair value changes recognized in

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

2. Summary of Significant Accounting Policies (Continued)

the statement of operations. The warrants are measured using the Monte Carlo valuation model and are based, in part, upon inputs where there is little or no market data, requiring the Company to develop its own independent assumptions. The Company will continue to adjust the liability for changes in the fair value of these warrants until the earlier of the exercise of the warrants, the expiration of the warrants, or until such time as the warrants are no longer determined to be derivative instruments.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, *Compensation—Stock Compensation*. Accordingly, compensation costs related to equity instruments granted are recognized over the requisite service periods of the awards on a straight-line basis at the grant-date fair value calculated using a Black-Scholes option pricing model. Additionally, under the provisions of ASC 718, the Company is required to include an estimate of the number of awards that will be forfeited in calculating compensation costs. Any changes to the estimated forfeiture rates are accounted for prospectively. Stock-based compensation arrangements with non-employees are recognized at the grant-date fair value and then re-measured at each reporting period. Expense is recognized during the period the related services are rendered.

Recent Accounting Pronouncements

In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-02, *Testing Indefinite-Lived Intangible Assets for Impairment*. The guidance allows companies, at their option, to perform a qualitative assessment of indefinite-lived assets to determine if it is more likely than not that the fair value of the asset exceeds its carrying value. If analysis of the qualitative factors results in the fair value of the indefinite-lived asset exceeding the carrying value, then performing the quantitative assessment is not required. This guidance will be effective for interim and annual periods beginning after December 15, 2012. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

In June 2011, the FASB issued ASU 2011-05 which is an amendment to the accounting guidance for presentation of comprehensive income. Under the amended guidance, a company has the option to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In either choice, a company is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income and a total amount for comprehensive income. The amendment is effective for public companies with fiscal years ending, and interim periods within those years, beginning after December 15, 2011. The adoption of this update did not have a material impact on the Company's financial statements.

In May 2011, the FASB issued ASU 2011-04 which is an amendment to the accounting guidance on fair value measurements. This accounting standard update clarifies the application of existing fair value measurement guidance and expands the disclosures for fair value measurements that are

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

2. Summary of Significant Accounting Policies (Continued)

estimated using significant unobservable (Level 3) inputs. The amendments were effective on a prospective basis for annual and interim reporting periods beginning after December 15, 2011. The adoption of this standard did not have a material impact on the Company's financial statements.

3. Stock Acquisition

On April 28, 2008, HDL acquired all of the capital stock of Esperion from Pfizer in exchange for a non-subordinated convertible promissory note in the original principal amount of $5,000,000 (see Note 5).

The Company allocated the purchase price of the Esperion acquisition in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations*, related to the purchase of a group of assets. SFAS No. 141 provides that the cost of a group of assets acquired in a transaction other than a business combination shall be allocated to the individual assets acquired based on their relative fair values and shall not give rise to goodwill.

In accordance with the provisions of SFAS No. 141, this transaction did not meet the criteria of a business combination, and all identifiable intangible assets, including in-process research and development, were assigned a portion of the purchase price based on their relative fair values. To this end, an independent valuation of the tangible assets acquired was used to determine the fair value of the identifiable tangible assets. The Company determined the value assigned to in-process research and development and intangible assets. The fair value of assets acquired exceeded the transaction consideration and therefore, under SFAS No. 141, the excess of fair value of assets received over consideration paid was allocated on a relative fair market value basis to in-process research and development, tangible and intangible assets.

The Company allocated total cost of the Esperion acquisition as follows:

Cash	$ 2,500,000
Property and equipment	1,317,005
Intangible assets	50,000
In-process research and development	85,612
Assets held for sale	1,047,383
Total	$ 5,000,000

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

3. Stock Acquisition (Continued)

The income approach was used to estimate the fair value of the acquired in-process research and development based on projected cash flows through 2014 and a 35 percent discount rate. Material cash inflows were projected to begin in 2014. The replacement cost method was used to estimate the fair value of the tangible assets.

4. Assets Held For Sale

Assets held for sale consist of equipment that was acquired as part of the Esperion acquisition (see Note 3) and is not intended for use by the Company in normal operations.

During 2010, the Company entered into agreements to sell substantially all of the assets classified as held for sale which occurred in 2010 and continued through 2011. The 2010 sale included $182,188 of the assets held for sale sold in exchange for a promissory note that bore interest of 10 percent per annum and provided for monthly installment payments based on a five-year amortization schedule, with a balloon payment for the remaining principal due on December 31, 2011. The Company had a first priority security interest in all of the assets sold in the event of nonpayment by the note holder.

During 2011, the note holder defaulted on the note and the Company received the collateralized assets back. The fair market value of the assets was less than the outstanding principal balance of the note and the Company therefore adjusted the carrying value of the assets to reflect their fair value and recorded an expense of $108,308 on the default of the note which is included in other expense in the accompanying statement of operations.

During the year ended December 31, 2012, the Company determined that the carrying value of the assets classified as held for sale would not be fully recoverable and an impairment loss of $86,887 was recognized in other expense to write the remaining assets down to the estimated fair value. The fair value of the assets held for sale was based on recent market sales data for similar equipment less the related costs to sell. During the three months ended March 31, 2013, the Company recognized an impairment loss of $27,000 based on recent purchase offers. The Company recognized $187,393 and $214,393 of impairment expense related to the assets held for sale in the period from Inception through December 31, 2012 and the period from Inception through March 31, 2013, respectively.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

5. Debt

The following is a reconciliation of the Company's various debt instruments:

	December 31, 2012	December 31, 2011	March 31, 2013 (unaudited)
Short term convertible notes issued January 2012	$ 6,000,000	$ —	$ —
Short term convertible notes issued September 2012	4,000,000	—	—
Short term convertible notes issued November 2012	5,700,000	—	—
Discount on short term convertible notes	(458,993)	—	—
Total short term convertible notes, net of debt discount	15,241,007	—	—
Long term debt	5,000,000	5,000,000	5,000,000
Accumulated paid-in-kind interest	2,528,845	1,897,328	2,528,845
Total long-term debt	7,528,845	6,897,328	7,528,845
Total debt	$ 22,769,852	$ 6,897,328	$ 7,528,845

Short-Term Convertible Notes

On January 26, 2012, the Company entered into a convertible note financing in which it issued 10% convertible promissory notes that matured in January 2013 for an aggregate principal amount of $6,000,000 to certain existing investors. The convertible promissory notes allow for the unpaid principal and interest to be converted at the lowest price paid for a new class of preferred stock in a future equity financing in which the Company received at least $10,000,000 in proceeds, not including the conversion of any of the convertible promissory notes.

On September 4, 2012, the Company entered into a convertible note financing pursuant to which certain existing investors agreed to loan the Company up to an additional $9,700,000. On September 4, 2012, the Company issued 10% convertible promissory notes that mature on September 4, 2013 for an aggregate principal amount of $4,000,000. On November 30, 2012, the Company issued additional 10% convertible promissory notes that mature on September 4, 2013 for an aggregate principal amount of $5,700,000. In connection with the September convertible note financing, the Company and the holders of the January 2012 convertible promissory notes agreed to extend the maturity date of the January 2012 notes to September 4, 2013. On February 12, 2013, the foregoing convertible promissory notes were converted into 16,623,092 shares of Series A preferred stock, in accordance with their terms and at their conversion price of $1.00 per share, and following such conversion, the notes were cancelled (see Note 18). In connection with the issuance of the September 4, 2012 and the November 30, 2012 10% convertible promissory notes, the Company issued warrants to purchase shares of Series A preferred stock for an aggregate price of $9,700. The estimated fair value of the warrants at issuance

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

5. Debt (Continued)

was $297,690. The proceeds from the sale of the preferred stock and warrants was allocated with $9,412,010 to the 10% convertible promissory notes and $297,690 to warrants. This resulted in a discount on the 10% convertible promissory notes which will be amortized into interest expense, using the effective interest method, over the life of the 10% convertible promissory notes (see Note 6). The Company recorded $58,494 of interest expense for the accretion of this discount during the year ended December 31, 2012 and the period from Inception through December 31, 2012. As a result of the conversion of the convertible promissory notes into shares of Series A preferred stock on February 12, 2013, the Company recorded the remaining $229,496 of interest expense for the accretion of this discount during the three months ended March 31, 2013.

The holders of the September convertible promissory notes received the benefit of a deemed conversion price of the September convertible promissory notes that were below the estimated fair value of the Series A convertible preferred stock at the time of their issuance. The fair value of this beneficial conversion feature was estimated to be $287,990. The fair value of this beneficial conversion feature was recorded to debt discount and amortized to interest expense using the effective interest method over the term of the convertible promissory notes. The Company recorded $58,494 of interest expense related to the beneficial conversion feature during the year ended December 31, 2012. As a result of the conversion of the convertible promissory notes into shares of Series A preferred stock on February 12, 2013, the Company recorded the remaining $229,496 of interest expense for the accretion of the beneficial conversion feature during the three months ended March 31, 2013.

If the short-term convertible promissory notes and Pfizer note were to convert to Series A and Series A-1 preferred stock and subsequently convert to common stock at the prevailing price of preferred stock, $1.00 per share, at December 31, 2012, such instruments would result in the issuance of 23,967,037 shares of common stock.

Pfizer Note

On April 28, 2008, HDL acquired all of the capital stock of Esperion from Pfizer in exchange for a non-subordinated convertible note in the original principal amount of $5,000,000. This convertible promissory note matures on April 28, 2018. The note bears interest at 8.931 percent annually, payable semiannually on June 30 and December 31 by adding such unpaid interest to the principal of the note, which shall thereafter accrue interest. During the years ended December 31, 2012 and 2011, and the period from Inception through December 31, 2012, the Company accrued interest related to the note of $631,517, $577,065, and $2,528,845, respectively. During the three months ended March 31, 2013 and 2012, and the period from Inception through March 31, 2013, the Company accrued interest related to the note of $165,798, $153,578, and $2,694,643, respectively.

The note may be converted at any time after April 28, 2010, into Series A-1 preferred stock at the prevailing purchase price of a preferred stock share at time of conversion if converted prior to an initial public offering and into common stock at the ten-day average closing price of the Company's common stock on the applicable securities exchange if converted after an initial public offering. During the three months ended March 31, 2013, the Company notified Pfizer of its intent to file a registration

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

5. Debt (Continued)

statement for an initial public offering. Pursuant to the sections of the convertible note agreement, Pfizer may not convert the convertible note during the period commencing on the notification date until 180 days following the effective date of the Registration Statement.

6. Warrants

On September 4, 2012 and November 30, 2012, the Company issued warrants to purchase shares of the Company's Series A preferred stock to the purchasers of the foregoing convertible promissory notes for an aggregate purchase price of $9,700. If a Qualified Financing occurs, defined as a sale of a new class of preferred stock in a single transaction or a series of transactions in which the Company received at least $10,000,000 of proceeds excluding any note conversion, the warrants are exercisable into the number of shares of the new class of preferred stock with value equal to 20 percent of the principal of the convertible promissory notes issued in September and November 2012, or 1,940,000 preferred shares. If a Qualified Financing does not occur before the maturity date of the notes, then the warrants are exercisable into the Company's Series A preferred stock, par value $0.001 equal to 20 percent of the principal amount of the convertible promissory notes issued in September and November 2012 divided by the Series A original issuance price of $1.00 adjusted for stock splits, stock dividends, combinations, and recapitalizations. No such adjustment transactions occurred as of December 31, 2012. Based on the preceding provisions, the warrants are recorded as current liabilities of the Company at the estimated fair value at the date of issuance, with changes in estimated fair value recorded as income or expense in the Company's statements of operations in each subsequent period. The warrants expire five years from a Qualified Financing, if one occurs, or upon the maturity of the notes.

The assumptions used in calculating the estimated fair market value at each reporting period represent the Company's best estimate, however, do involve inherent uncertainties. As a result, if factors or assumptions change the warrant liability, the estimated fair value could be materially different. The estimated fair value of the warrants was determined using the Monte Carlo valuation model which totaled $297,690 and was comprised of $141,779 and $155,911 as of and for the September and November 2012 financing, respectively, and was recorded as a discount on the related convertible promissory notes and amortized as interest expense over the term of the convertible promissory notes. Inherent in the Monte Carlo valuation model are assumptions related to expected stock-price volatility, expected life and risk-free interest rate. The Company estimates the volatility of its stock based on public company peer group historical volatility that is in line with the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon bond on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The Monte Carlo model is used to appropriately value the potential future exercise price based on various exit scenarios. This requires Level 3 inputs which are based on the Company's estimates of the probability and timing of potential future financings.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

6. Warrants (Continued)

If the warrants were exercised at December 31, 2012 and the resulting Series A preferred stock was converted into common stock, this would result in the issuance of 1,940,000 shares of common stock.

7. Commitments and Contingencies

The Company leases its facility under an operating lease that expires in October 2013 (see Note 17). The Company has an option to extend the lease term through October 2018, at which time the Company has an additional option to extend the lease term through October 2023. The Company's facility lease provides for a fixed monthly rent for the term of the lease and also provides for certain rent adjustments to be paid as determined by the landlord.

The total rent expense for the years ended December 31, 2012 and 2011, and for the period from Inception to December 31, 2012, was approximately $335,000, $323,000, and $1,286,400, respectively. The total rent expense for the three months ended March 31, 2013 and 2012, and for the period from Inception to March 31, 2013, was approximately $86,000, $86,000, and $1,372,400, respectively. Future minimum payments as of December 31, 2012, under the facility lease are presented in the table below:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease	$ 287,000	$ 287,000	$ —	$ —	$ —
Total	$ 287,000	$ 287,000	$ —	$ —	$ —

The Company also holds a license agreement in which it is obligated to make future minimum annual payments of $50,000 in years where there is not a milestone payment required under the terms of the agreement (see Note 15). Further, the Company is contractually obligated to issue an aggregate of 80,000 shares of common stock upon meeting various future milestones set forth in the agreement.

8. Fair Value Measurements

The Company follows accounting guidance that emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Fair value is defined as "the price that would be

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

8. Fair Value Measurements (Continued)

received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Fair value measurements are defined on a three level hierarchy:

Level 1 inputs:	Quoted prices for identical assets or liabilities in active markets;
Level 2 inputs:	Observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and
Level 3 inputs:	Unobservable inputs that are supported by little or no market activity and require the reporting entity to develop assumptions that market participants would use when pricing the asset or liability.

The following table presents the Company's financial assets and liabilities that have been measured at fair value on a recurring basis:

Description	Total	Level 1	Level 2	Level 3
March 31, 2013 (unaudited)				
Assets:				
Money market fund	$ 3,800,010	$ 3,800,010	$ —	$ —
Total assets at fair value	$ 3,800,010	$ 3,800,010	$ —	$ —
Liabilities:				
Warrants	$ 307,281	$ —	$ —	$ 307,281
Total liabilities at fair value	$ 307,281	$ —	$ —	$ 307,281
December 31, 2012				
Assets:				
Money market fund	$ 6,357,542	$ 6,357,542	$ —	$ —
Total assets at fair value	$ 6,357,542	$ 6,357,542	$ —	$ —
Liabilities:				
Warrants	$ 265,323	$ —	$ —	$ 265,323
Total liabilities at fair value	$ 265,323	$ —	$ —	$ 265,323
December 31, 2011				
Assets:				
Money market fund	$ 1,417,130	$ 1,417,130	$ —	$ —
Total assets at fair value	$ 1,417,130	$ 1,417,130	$ —	$ —

There were no transfers between Levels 1, 2 or 3 during 2012, 2011 or the three months ended March 31, 2013 or March 31, 2012.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

8. Fair Value Measurements (Continued)

The following table summarizes the changes in the fair value of the Company's Level 3 warrant liabilities for the year ended December 31, 2012 and for the three months ended March 31, 2013:

	December 31, 2012
Level 3 Liabilities:	
As of January 1, 2012	$ —
Issuance of warrants	297,690
Change in fair value	(32,367)
As of December 31, 2012	$ 265,323
Change in fair value (unaudited)	41,958
As of March 31, 2013 (unaudited)	$ 307,281

Fair Value Measurements on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, the Company also measures assets held for sale at the lower of its carrying amount or fair value on a nonrecurring basis. As discussed in Note 4, the Company recorded an impairment charge related to assets held for sale during the year ended December 31, 2012. The fair value of assets held for sale was estimated using a market approach, considering the estimated fair value for other comparable equipment which are Level 3 inputs.

9. Property and Equipment

Property and equipment consist of the following:

	December 31, 2012	December 31, 2011	March 31, 2013 (unaudited)
Lab equipment	$ 1,057,276	$ 1,062,635	$ 1,057,276
Computer equipment	99,412	101,672	99,412
Software	96,668	96,668	96,668
Furniture and fixtures	11,309	6,662	11,309
Leasehold improvements	21,381	21,381	21,381
Subtotal	1,286,046	1,289,018	1,286,046
Less accumulated depreciation and amortization	1,165,836	1,037,491	1,198,114
Property and equipment, net	$ 120,210	$ 251,527	$ 87,932

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

9. Property and Equipment (Continued)

Depreciation expense was $139,433, $178,471 and $1,377,171 for the years ended December 31, 2012 and 2011, and the period from Inception through December 31, 2012, respectively. Depreciation expense was $32,278, $36,861 and $1,409,449 for the three months ended March 31, 2013 and 2012, and the period from Inception through March 31, 2013, respectively.

10. Other Accrued Liabilities

Other accrued liabilities consist of the following:

	December 31, 2012	December 31, 2011	March 31, 2013 (unaudited)
Accrued professional fees	$ 136,907	$ 28,500	336,100
Accrued franchise and property taxes	12,697	3,220	2,757
Accrued employee-related costs	60,725	408,453	305,918
Accrued other	—	3,000	14,615
Total other accrued liabilities	$ 210,329	$ 443,173	$ 659,390

11. Convertible Preferred Stock and Stockholders' Deficit

On January 22, 2008, HDL was incorporated in the state of Delaware with 1,000 shares of authorized common stock. In April 2008, the Board of Directors approved an amended and restated certificate of incorporation. The amendment increased HDL's authorized number of shares of common stock to a total of 44,025,145 and authorized two new series of preferred stock designated as Series A and Series A-1 preferred stock consisting of 33,250,000 shares of Series A preferred stock and 6,475,145 shares of Series A-1 preferred stock. In April 2008, HDL sold 2,000,000 shares of common stock and 10,000,000 shares of Series A preferred stock in a private offering (the Initial Financing), raising net proceeds of $200 and $10,000,000, respectively. In the Initial Financing, the Company converted an outstanding promissory note in the principal amount of $250,000 from an officer of the Company into 250,000 shares of Series A preferred stock.

As a result of commencing Phase 1 clinical trials in December 2009, the Company issued 6,000,000 additional shares of Series A preferred stock, raising net proceeds of $6,000,000 in January 2010 (Second Tranche Shares in the Initial Financing agreement).

In April 2010, the Company issued an additional 1,000,000 shares of Series A preferred stock to an officer and new investors for $1,000,000 in net proceeds. In connection with this sale, the Initial Financing agreement was amended to allow for the additional issuance of shares. The Company also amended its certificate of incorporation to increase its number of authorized shares to 45,025,145 shares of common stock and 40,725,145 shares of preferred stock, including 34,250,000 shares of Series A preferred stock and 6,475,145 shares of Series A-1 preferred stock.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

11. Convertible Preferred Stock and Stockholders' Deficit (Continued)

In November 2010, the Company issued an additional 25,000 shares of Series A preferred stock to an officer of the Company in exchange for $25,000.

As a result of commencing Phase 2a clinical trials in December 2010, the Company issued 6,700,000 shares of Series A preferred stock, raising net proceeds of $6,700,000 in January 2011 (Third Tranche Shares in the Initial Financing agreement). The Company also amended its certificate of incorporation to increase the number of authorized shares to 50,000,000 shares of common stock and 41,682,329 shares of preferred stock, including 34,785,000 shares of Series A preferred stock and 6,897,329 shares of Series A-1 preferred stock.

In September 2012, the Company amended its certificate of incorporation to increase the number of authorized preferred shares to 42,647,283, including 34,785,000 shares of Series A preferred stock and 7,862,283 shares of Series A-1 preferred stock.

As of December 31, 2012, the Company did not have sufficient preferred and common shares authorized under its certificate of incorporation to permit the conversion of the outstanding convertible promissory notes issued during 2012. Pursuant to the terms of the note purchase agreements, in the event any or all of the notes were to be converted, the purchasers and the Company agreed to take all action necessary to amend the certificate of incorporation to increase the number of authorized shares of Series A preferred stock and common stock to permit such conversion. The Company subsequently amended its certificate of incorporation to increase the number of shares of Series A preferred stock authorized to 41,636,970 and number of shares of common stock authorized to 56,519,253 in connection with the conversion of the notes on February 12, 2013 into 16,623,092 shares of Series A preferred stock. On March 25, 2013 and April 10, 2013, the Company amended its certificate of incorporation to increase the number of shares of Series A preferred stock authorized to 42,538,092 and 59,538,092, respectively, and the number of shares of common stock authorized to 58,220,375 and 75,220,375, respectively (see Note 18).

Convertible Preferred Stock

As of December 31, 2012 and 2011, the Company had authorized a total of 42,647,283 and 41,682,329 shares of preferred stock, respectively, designated in various series. The preferred stock designated as Series A and Series A-1 is summarized as follows:

	December 31, 2012		
	Shares Designated	Liquidation Preference Per Share	Shares Issued and Outstanding
Series A	34,785,000	$ 1.00	23,975,000
Series A-1	7,862,283	—	—
	42,647,283	$ 1.00	23,975,000

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

11. Convertible Preferred Stock and Stockholders' Deficit (Continued)

	December 31, 2011		
	Shares Designated	Liquidation Preference Per Share	Shares Issued and Outstanding
Series A	34,785,000	$ 1.00	23,975,000
Series A-1	6,897,329	—	—
	41,682,329	$ 1.00	23,975,000

	March 31, 2013 (unaudited)		
	Shares Designated	Liquidation Preference Per Share	Shares Issued and Outstanding
Series A	42,538,092	$ 1.00	40,598,092
Series A-1	7,862,283	—	—
	50,400,375	$ 1.00	40,598,092

Voting

The holders of preferred stock have various rights and preferences. Each share of Series A and Series A-1 preferred stock has certain voting rights equal to the number of shares of common stock into which it is convertible and votes together as one class with the common stock.

A separate vote of a majority of the Series A preferred stock, equal to the number of shares of common stock into which it is convertible, is required for certain activities, including certain issuances of common stock; for any redemption, repurchase, dividend, or other distribution with respect to the common stock; any agreement by the Company or its stockholders regarding certain mergers or consolidations of the Company; a sale of all or substantially all of the assets of the Company; or any redemption, repurchase, dividend, or other distribution with respect to any shares of preferred stock.

As the Series A preferred stock could be redeemed in a "deemed liquidation" in the event of a change of control and the redemption features are considered to be outside the control of the Company, all shares of Series A preferred stock have been presented outside of permanent equity in accordance with ASC 480.

Liquidation

In the event of any liquidation, dissolution, or winding-up of the Company, including a merger, acquisition, or sale of assets where the holders of the Company's common stock and preferred stock own less than 50% of the resulting voting power of the surviving entity, the holders of Series A preferred stock shall be entitled to receive prior and in preference to any distribution of the assets of the Company to the holders of Series A-1 preferred stock and common stock, an amount equal to $1.00 for each share of Series A preferred stock held, plus any declared but unpaid dividends. After payment of the full liquidation preference to holders of Series A preferred stock, but prior to any

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

11. Convertible Preferred Stock and Stockholders' Deficit (Continued)

distribution or payment to holders of common stock, the holders of Series A-1 preferred shall be entitled to receive a distribution equal to the original issue price of a share of Series A-1 preferred stock plus any declared but unpaid dividends. After payment of the full liquidation preference(s) to the Series A and Series A-1 stockholders, the remaining assets legally available for distribution shall be distributed ratably to the holders of common stock and preferred stock on an as if converted to common stock basis.

Dividends

Holders of Series A and Series A-1 preferred stock, in preference to the holders of common stock, are entitled to receive cash dividends at the rate of eight percent of the respective original issue price per annum on each outstanding preferred share on a pari passu basis. Such dividends are payable only when, as and if declared by the Board of Directors and are non-cumulative. There have been no dividends declared, accrued or paid during the period from Inception through December 31, 2012 or the three months ended March 31, 2013.

Conversion

Any share of Series A or Series A-1 preferred stock may be converted at the option of the holder at any time into shares of common stock at the Series A preferred conversion price or the Series A-1 preferred conversion price then in effect.

Each share of Series A and Series A-1 preferred stock shall automatically be converted into shares of common stock based upon the then-effective Series A preferred conversion price and the Series A-1 preferred conversion price, respectively, upon the affirmative election of the holders of at least 60% of the outstanding shares of the Series A preferred stock and Series A-1 preferred stock voting as a single class.

Each share of Series A preferred stock shall automatically convert into shares of common stock based upon the effective Series A preferred conversion price upon (i) the affirmative election of the holders of at least two-thirds of the outstanding shares of the Series A preferred stock; (ii) the Company's sale of its common stock in a firmly underwritten public offering in which the per share price is at least three times the Series A original issue price adjusted for stock splits, dividends, recapitalizations, and the like, and which would result in gross proceeds to the Company of at least $40 million (prior to deducting underwriting discounts and commissions); or (iii) the affirmative election of at least a majority of the outstanding shares of the Series A preferred stock following the closing of a firmly underwritten public offering that covers the offer and sale of common stock for the Company that does not meet the three times original issue price or gross proceeds requirements above. Upon an automatic conversion, any declared and unpaid dividends shall be paid to the holders of Series A preferred stock.

Each share of Series A-1 preferred stock shall automatically convert into shares of common stock based upon the effective Series A-1 preferred conversion price upon the Company's sale of its common stock in a firmly underwritten public offering which results in gross proceeds to the Company of at

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

11. Convertible Preferred Stock and Stockholders' Deficit (Continued)

least $25 million (prior to underwriting discounts and commissions). Upon an automatic conversion, any declared and unpaid dividends shall be paid to the holders of Series A-1 preferred stock.

The Series A preferred conversion rate and Series A-1 preferred conversion rate is the $1.00 Series A original issue price divided by the Series A preferred conversion price, initially set at $1.00. The Series A preferred conversion price can be adjusted in connection with certain dilutive events; however, there have been no such adjustments to date.

The Company has convertible debt, convertible Preferred Stock and warrants, all of which are convertible into Series A and Series A-1 preferred stock. Additionally, the Company has stock options outstanding. At December 31, 2012 and March 31, 2013, convertible instruments or options which could subsequently convert to common stock were as follows:

	December 31, 2012	March 31, 2013 (unaudited)
Convertible preferred stock	23,975,000	40,598,092
Warrants for preferred stock	1,940,000	1,940,000
Common shares under option	1,477,595	4,266,933
Convertible debt	23,967,037	7,694,643
Total shares issuable upon conversion or exercise	51,359,632	54,499,668

12. Stock Compensation

In April 2008, the Company adopted the 2008 Incentive Stock Option and Restricted Stock Plan (the 2008 Plan), administered by the Board of Directors or a committee appointed by the Board of Directors. The 2008 Plan provides for the granting of stock options and restricted stock to employees and nonemployees of the Company. Options granted under the 2008 Plan may either be incentive stock options (ISOs), restricted stock awards (RSAs) or nonqualified stock options (NQSOs). Stock options and restricted stock grants may be granted to employees, directors and consultants.

Stock awards under the 2008 Plan may be granted for up to ten years from the adoption of the 2008 Plan at prices no less than 100 percent of the fair value of the shares on the date of the grant as determined by (i) the closing price of the Company's common stock on any national exchange, (ii) the National Association of Securities Dealers Inc. Automated Quotation System (NASDAQ), if so authorized for quotation as a NASDAQ security, or (iii) by reasonable application of a reasonable valuation method. The valuation methods utilized by the Company are consistent with the AICPA Technical Practice Aid.

The vesting of options granted or restricted awards given will be determined individually with each option grant. Generally, 25 percent of the granted amount will vest upon the first anniversary of the option grant with the remainder vesting ratably on the first day of each calendar quarter for the following three years. Stock options have a 10 year life and expire if not exercised within that period, or if not exercised within 90 days of cessation of employment with the Company.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

12. Stock Compensation (Continued)

As of December 31, 2012 and 2011 and the three months ended March 31, 2013 and March 31, 2012, under the 2008 Plan, 4,599,455, 2,170,079, 5,399,455 and 2,170,079 shares of common stock, respectively, have been reserved and approved for issuance, subject to adjustment for a stock split or any future stock dividend or other similar change in the Company's common stock or capital structure.

Activity under the Company's stock option plan is set forth below:

	Number of Options	Weighted-Average Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at April 24, 2008 (plan inception)	—	—		
Granted	740,921	$ 0.15		
Forfeited or expired	(75,000)	$ 0.15		
Outstanding at December 31, 2008	665,921	$ 0.15	8.4	$ —
Granted	110,000	$ 0.15		
Exercised	(25,000)	$ 0.15		$ —
Outstanding at December 31, 2009	750,921	$ 0.15	8.0	$ 22,528
Granted	706,674	$ 0.18		
Forfeited or expired	(27,891)	$ 0.16		
Outstanding at December 31, 2010	1,429,704	$ 0.16	7.6	$ 79,153
Granted	65,000	$ 0.22		
Forfeited or expired	(10,938)	$ 0.16		
Exercised	(104,921)	$ 0.15		$ 7,197
Outstanding at December 31, 2011	1,378,845	$ 0.17	6.6	$ 140,274
Granted	480,000	$ 0.27		
Forfeited or expired	(110,626)	$ 0.17		
Exercised	(270,624)	$ 0.15		$ 26,425
Outstanding at December 31, 2012	1,477,595	$ 0.20	7.5	$ 141,389
Granted (unaudited)	2,796,213	$ 0.30		
Forfeited or expired (unaudited)	6,875	$ 0.22		
Outstanding at March 31, 2013 (unaudited)	4,266,933	$ 0.27	8.9	$ 140,839

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

12. Stock Compensation (Continued)

The following table summarizes information about the Company's stock option plan as of March 31, 2013 and December 31, 2012:

	Number of Options	Weighted-Average Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Vested and expected to vest at December 31, 2012	1,477,595	$ 0.20	7.5	$ 141,389
Exercisable at December 31, 2012	779,965	$ 0.17	6.6	$ 101,101
Vested and expected to vest at March 31, 2013 (unaudited)	4,054,466	$ 0.27	8.9	$ 139,875
Exercisable at March 31, 2013 (unaudited)	1,076,282	$ 0.20	7.1	$ 110,648

The following table shows the weighted-average assumptions used to compute the share-based compensation costs for the stock options granted to employees and non-employees during the period from Inception to December 31, 2012, using the Black-Scholes option pricing model:

	Year ended December 31,		Period From January 22, 2008 (Inception) Through December 31, 2010	Three Months Ended March 31, 2013
	2012	2011		(unaudited)
Risk-free interest rate	0.85%	2.50%	2.50%	1.02%
Dividend yield	—	—	—	—
Weighted-average expected life of options (years)	6.25	6.25	6.25	6.25
Volatility	80%	80%	80%	74%

The risk-free interest rate assumption was based on the United States Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The weighted-average expected life of the options was calculated using the simplified method as prescribed by the Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 107 (SAB No. 107). This decision was based on the lack of relevant historical data due to the Company's limited historical experience. In addition, due to the Company's limited historical data, the estimated volatility also reflects the application of SAB No. 107, incorporating the historical volatility of comparable companies whose share prices are publicly available.

The weighted-average grant-date fair values of stock options granted during the years ended December 31, 2012 and 2011, and the period from Inception through December 31, 2012 were $0.19, $0.16 and $0.13, respectively. During the years ended December 31, 2012 and December 31, 2011, and

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

12. Stock Compensation (Continued)

the period from Inception through December 31, 2012, the Company recognized stock-based compensation expense of $79,861, $78,451 and $257,108, respectively.

The weighted-average grant-date fair values of stock options granted during the three months ended March 31, 2013 and the period from Inception through March 31, 2013 were $0.20 and $0.17, respectively. During the three months ended March 31, 2013 and March 31, 2012, and the period from Inception through March 31, 2013, the Company recognized stock-based compensation expense of $54,972, $16,142 and $312,080, respectively.

As of December 31, 2012 and 2011 and March 31, 2013 and March 31, 2012, there was approximately $94,018, $24,357, $588,415 and $51,924, respectively, of total unrecognized compensation cost related to the unvested share-based compensation arrangements granted under the Company's equity incentive plan. The remaining unrecognized compensation cost will be recognized over a weighted-average period of approximately 2.6 and 3.6 years as of December 31, 2012 and March 31, 2013, respectively.

13. Employee Benefit Plan

During 2008, the Company adopted the Esperion Therapeutics, Inc. 401(k) Plan (the 401(k) Plan), which qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may defer a portion of their pretax earnings. The Company may, at its sole discretion, contribute for the benefit of eligible employees. There have been no Company contributions to the 401(k) Plan during 2012, 2011 or from Inception through December 31, 2012.

14. Income Taxes

There is no provision for income taxes because the Company has incurred operating losses since inception. At March 31, 2013, the Company has concluded that it is more likely than not that the Company may not realize the benefit of its deferred tax assets due to its history of losses. Accordingly, the net deferred tax assets have been fully reserved.

As of December 31, 2012 and 2011, the Company had deferred tax assets of approximately $14,351,000 and $10,386,000, respectively. Realization of the deferred assets is dependent upon future taxable income, if any, the amount and timing of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance.

As of December 31, 2012 and 2011, the Company had federal net operating loss carryforwards of approximately $40,465,000 and $29,206,000, respectively. The federal net operating loss and tax credit carryforwards will expire at various dates beginning in 2028, if not utilized.

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

14. Income Taxes (Continued)

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows:

	December 31,	
	2012	2011
Federal income tax (benefit) at statutory rate	(34.0)%	(34.0)%
State income tax benefit, net of federal benefit	—%	(0.7)%
Permanent items	0.4%	(0.1)%
Other	(0.2)%	3.2%
Change in valuation allowance	33.8%	31.6%
Effective income tax rate	0.0%	0.0%

If the Company experiences a greater than 50 percentage point aggregate change in ownership of certain significant stockholders over a three-year period, a Section 382 ownership change, utilization of the net operating loss carryforwards and credits will be subject to an annual limitation under Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses before utilization.

The Company's reserves related to taxes are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following resolution of any potential contingencies present related to the tax benefit. The Company recognized no material adjustment for unrecognized income tax benefits. Through December 31, 2012, the Company had no unrecognized tax benefits or related interest and penalties accrued.

Significant components of the Company's deferred tax assets are summarized in the table below:

	December 31,	
	2012	2011
Deferred tax assets:		
Federal and state operating loss carryforwards	$ 14,207,000	$ 10,351,000
Temporary differences	144,000	36,000
Total deferred tax assets	14,351,000	10,386,000
Valuation allowance	(14,351,000)	(10,386,000)
Net deferred tax assets	$ —	$ —

15. License Agreement

In December 2011, the Company entered into a license agreement for certain U.S. and foreign patents and patent applications regarding new high-density lipoprotein therapies to treat cardiovascular disease in exchange for 20,000 shares of common stock, plus an issue fee of $50,000. The license

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

15. License Agreement (Continued)

agreement will expire in 2028, which is the date of the last to expire of the licensed patents. The Company recorded the common stock, which was valued at its fair value of $4,400, and the issue fee within general and administrative expenses in the statements of operations.

The license agreement provides for a minimum annual payment of $50,000 for any years in which a milestone is not achieved, fully creditable against any earned royalties per calendar year.

Milestone achievement payments are due within 30 days of the milestone achievement. No milestones have been achieved to date under the license agreement. Additionally, the agreement provides for the Company to reimburse the patent holder for certain patent costs during the term of the agreement. The Company recognized expenses associated with this license agreement of $50,000, $54,400 and $104,400 during the years ended December 31, 2012 and 2011 and the period from Inception through December 31, 2012, respectively, in general and administrative expenses.

16. Net Loss Per Common Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share is computed by dividing net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method. For purposes of this calculation, convertible preferred stock, convertible debt, warrants for preferred stock and stock options are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive. Interest expense for convertible debt that is dilutive is added back to net income in the calculation of diluted net loss per share.

The shares outstanding at the end of the respective periods presented below were excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

	December 31,		Period from January 22, 2008 (Inception) Through December 31, 2012	March 31, 2013 (unaudited)
	2012	2011		
Common shares under option	1,477,595	1,378,845	1,477,595	4,266,933
Convertible preferred stock	23,975,000	23,975,000	23,975,000	40,598,092
Warrants for preferred stock	1,940,000	—	1,940,000	1,940,000
Convertible debt	23,967,037	6,897,328	23,967,037	7,694,643
Total potential dilutive shares	51,359,632	32,251,173	51,359,632	54,499,668

Esperion Therapeutics, Inc.
(A Development Stage Company)

Notes to Financial Statements (Continued)

(Information as of March 31, 2013 and thereafter and for the three months ended March 31, 2013 and 2012 and the period from January 22, 2008 (Inception) to March 31, 2013 is unaudited)

17. Related-Party Transactions

During 2008, a nonemployee officer of the Company was granted 100,921 stock options under the 2008 Plan in exchange for consulting services rendered. The exercise price of the options was $0.15 per share. Originally, the options vested ratably over 48 calendar months. Effective January 1, 2010, the nonemployee became a member of the Board of Directors, and the remaining unvested options were modified to vest ratably over each subsequent calendar quarter. The Company recognized approximately $2,000 and $6,000 of expense related to the vesting of these stock options for the years ended December 31, 2012 and 2011, respectively, and $12,000 for the period from Inception through December 31, 2012. None of the options have been exercised as of December 31, 2012. The modification did not result in a material change to the fair value of the award.

During 2012 and 2011, an officer of the Company was a non-voting member of the Board of Directors of the not-for-profit entity, Ann Arbor SPARK, that owned the facility leased by the Company (see Note 7). In November 2012, the lease was assigned to the Michigan Land Bank Track Authority and as of December 31, 2012 was no longer considered a related party transaction to the Company.

18. Subsequent Events

Subsequent events have been evaluated through the date these financial statements were filed within the registration statement on Form S-1 with the Securities & Exchange Commission.

On April 19, 2013, the Company issued and sold an aggregate of 17,000,000 shares of Series A preferred stock at a price of $1.00 per share for gross proceeds of $17.0 million to funds affiliated with Longitude Capital and certain existing investors. Each share of Series A preferred stock issued in this financing is initially convertible into one share of common stock. Upon the closing of the financing, Patrick Enright of Longitude Capital became a member of the board of directors.

Shares

Common Stock

Credit Suisse **Citigroup**

JMP Securities **Stifel**

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee.

SEC registration fee	$ 9,548
FINRA filing fee	*
NASDAQ listing fee	*
Blue Sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	$

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") authorizes a corporation to indemnify its directors and officers against liabilities arising out of actions, suits and proceedings to which they are made or threatened to be made a party by reason of the fact that they have served or are currently serving as a director or officer to a corporation. The indemnity may cover expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with any such action, suit or proceeding. Section 145 permits corporations to pay expenses (including attorneys' fees) incurred by directors and officers in advance of the final disposition of such action, suit or proceeding. In addition, Section 145 provides that a corporation has the power to purchase and maintain insurance on behalf of its directors and officers against any liability asserted against them and incurred by them in their capacity as a director or officer, or arising out of their status as such, whether or not the corporation would have the power to indemnify the director or officer against such liability under Section 145.

We have adopted provisions in our certificate of incorporation and bylaws to be in effect at the completion of this offering that limit or eliminate the personal liability of our directors to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended. Consequently, a director will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our bylaws provide that:

- we will indemnify our directors, officers and, in the discretion of our board of directors, certain employees to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended; and

- we will advance reasonable expenses, including attorneys' fees, to our directors and, in the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings relating to their service for or on behalf of us, subject to limited exceptions.

We have entered into indemnification agreements with each of our directors and intend to enter into such agreements with certain of our executive officers. These agreements provide that we will indemnify each of our directors, certain of our executive officers and, at times, their affiliates to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees (but excluding judgments, fines and settlement amounts), to each indemnified director, executive officer or affiliate in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as a director or officer brought on behalf of the Company and/or in furtherance of our rights. Additionally, each of our directors may have certain rights to indemnification, advancement of expenses and/or insurance provided by their affiliates, which indemnification relates to and might apply to the same proceedings arising out of such director's services as a director referenced herein. Nonetheless, we have agreed in the indemnification agreements that the Company's obligations to those same directors are primary and any obligation of the affiliates of those directors to advance expenses or to provide indemnification for the expenses or liabilities incurred by those directors are secondary.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification of us and our directors and officers by the underwriters against certain liabilities under the Securities Act and the Exchange Act.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information as to all securities we have sold since March 31, 2010, which were not registered under the Securities Act.

1. On April 7, 2010, we issued and sold an aggregate of 1,000,000 shares of our Series A preferred stock to four accredited investors at a per share purchase price of $1.00 for aggregate gross consideration of $1,000,000. Each share of Series A preferred stock will convert into one share of our common stock upon completion of this offering.

2. On November 23, 2010, we issued and sold an aggregate of 25,000 shares of our Series A preferred stock to Roger S. Newton, Ph.D., FAHA, at a per share purchase price of $1.00 for aggregate gross consideration of $25,000. Each share of Series A preferred stock will convert into one share of our common stock upon completion of this offering.

3. On January 28, 2011, we issued and sold an aggregate of 6,700,000 shares of our Series A preferred stock to seven accredited investors at a per share purchase price of $1.00 for aggregate gross consideration of $6,700,000. Each share of Series A preferred stock will convert into one share of our common stock upon completion of this offering.

4. On December 7, 2011, we issued an aggregate of 20,000 shares of our common stock to The Cleveland Clinic Foundation as consideration under an Exclusive License Agreement, dated as

of December 7, 2011, pursuant to which we licensed certain intellectual property from The Cleveland Clinic Foundation related to our 4WF development program.

5. On January 26, 2012, in connection with a convertible note financing, we issued convertible promissory notes to eight accredited investors for an aggregate principal amount of $6.0 million. The convertible promissory notes accrued interest at a rate equal to 10% per year and initially had a maturity date of January 26, 2013. On February 12, 2013, these convertible promissory notes were converted, in accordance with their terms and at their respective conversion prices, into shares of Series A preferred stock, and following such conversion, these convertible promissory notes were cancelled.

6. Between September 4, 2012 and November 30, 2012, in connection with a convertible note financing, we issued, in a series of closings, convertible promissory notes to eight accredited investors for an aggregate principal amount of $9.7 million. The convertible promissory notes accrued interest at a rate equal to 10% per year and had a maturity date of September 4, 2013. On February 12, 2013, these convertible promissory notes were converted, in accordance with their terms and at their respective conversion prices, into shares of Series A preferred stock, and following such conversion, these convertible promissory notes were cancelled.

7. Between September 4, 2012 and November 30, 2012, in connection with a convertible note financing, we issued to eight accredited investors, in a series of closings, warrants to purchase approximately 1,940,000 shares of our Series A preferred stock at an exercise price of $1.00 per share for an aggregate purchase price of $9,700. Upon the completion of this offering, the warrants will become exercisable for shares of our common stock.

8. On April 19, 2013, in connection with a preferred stock financing, we issued 17,000,000 shares of our Series A preferred stock to ten accredited investors at a per share purchase price of $1.00 for aggregate gross consideration of $17.0 million. Each share of Series A preferred stock will convert into one share of our common stock upon completion of this offering.

9. Since April 1, 2010, we have granted stock options to purchase an aggregate of 4,802,887 shares of our common stock with exercise prices ranging from $0.18 to $0.53 per share to our employees, consultants and directors pursuant to our 2008 Plan. Of these, options covering an aggregate of 156,330 shares were cancelled or forfeited without being exercised.

10. Since April 1, 2010, we sold an aggregate of 378,045 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of $57,423 upon the exercise of stock options.

We deemed the offers, sales and issuances of the securities described in paragraphs (1) through (8) above to be exempt from registration under the Securities Act, in reliance on Section 4(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder, regarding transactions by an issuer not involving a public offering. All purchasers of securities in transactions exempt from registration pursuant to Regulation D represented to us that they were accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

We deemed the grants and exercises of stock options described in paragraphs (9) and (10) as exempt pursuant to Section 4(2) of the Securities Act or to be exempt from registration under the Securities Act in reliance on Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each

of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

All certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Financial Statements Schedules:

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Act, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(a) The Registrant will provide to the underwriter at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(c) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Plymouth, Michigan on May 14, 2013.

ESPERION THERAPEUTICS, INC.

By: /s/ TIM M. MAYLEBEN

Tim M. Mayleben
President, Chief Executive Officer and Director

POWER OF ATTORNEY AND SIGNATURES

KNOW ALL BY THESE PRESENT, that each individual whose signature appears below hereby constitutes and appoints each of Tim M. Mayleben, Troy A. Ignelzi and Richard B. Bartram as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement (or any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement and Power of Attorney has been signed by the following person in the capacities and on the date indicated.

Name	Title	Date
/s/ TIM M. MAYLEBEN Tim M. Mayleben	President, Chief Executive Officer and Director *(Principal Executive Officer and Principal Financial Officer)*	May 14, 2013
/s/ RICHARD B. BARTRAM Richard B. Bartram	Controller *(Principal Accounting Officer)*	May 14, 2013
/s/ PATRICK ENRIGHT Patrick Enright	Director	May 14, 2013
/s/ DOV A. GOLDSTEIN, M.D. Dov A. Goldstein, M.D.	Director	May 14, 2013

Name	Title	Date
/s/ DANIEL JANNEY Daniel Janney	Director	May 14, 2013
/s/ LOUIS G. LANGE, M.D., PH.D. Louis G. Lange, M.D., Ph.D.	Director	May 14, 2013
/s/ ROGER S. NEWTON, PH.D., FAHA Roger S. Newton, Ph.D., FAHA	Chief Scientific Officer, Director and Executive Chairman	May 14, 2013
/s/ NICOLE VITULLO Nicole Vitullo	Director	May 14, 2013

EXHIBIT INDEX

Exhibit No.	Exhibit Index
1.1*	Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation of the Registrant and the amendments thereto, as currently in effect
3.2*	Form of Amended and Restated Certificate of Incorporation of the Registrant (to be effective upon completion of this offering)
3.3	Amended and Restated Bylaws of the Registrant, as currently in effect
3.4*	Form of Amended and Restated Bylaws of the Registrant (to be effective upon completion of this offering)
4.1*	Specimen Common Stock Certificate
4.2	Convertible Promissory Note issued to Pfizer Inc. dated April 28, 2008
4.3	Form of Warrant to Purchase Preferred Stock dated September 4, 2012
4.4	Investor Rights Agreement by and between the Registrant and certain of its stockholders dated April 28, 2008
4.5	Amendment No. 1 to Investor Rights Agreement by and between the Registrant and certain of its stockholders dated April 11, 2013
4.6	Registration Rights and Securityholder Agreement by and between the Registrant and Pfizer Inc. dated April 28, 2008
5.1*	Opinion of Goodwin Procter LLP
10.1#	2008 Incentive Stock Option and Restricted Stock Plan and forms of agreements thereunder
10.2*#	2013 Stock Option and Incentive Plan and forms of agreements thereunder
10.3#	Employment Agreement by and between the Registrant and Dr. Roger S. Newton dated December 4, 2012
10.4#	Employment Agreement by and between the Registrant and Tim M. Mayleben dated December 3, 2012
10.5#	Employment Agreement by and between the Registrant and Noah Rosenberg, M.D. dated January 13, 2012
10.6#	Letter Agreement by and between the Registrant and Troy Ignelzi dated January 4, 2010
10.7†	License Agreement between Pfizer Inc. and the Registrant dated April 28, 2008 and amended on November 17, 2010
10.8	Form of Indemnification Agreement, to be entered into between the Registrant and its officers
10.9	Form of Indemnification Agreement, to be entered into between the Registrant and its directors
10.10	Lease by and between the Registrant and Michigan Life Science and Innovation Center LLC dated October 2, 2008 and amended on November 15, 2011
21.1	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included in page II-4)

* To be included by amendment.

† Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

# Indicates a management contract or any compensatory plan, contract or arrangement.

Exhibit 3.1

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:23 PM 01/22/2008
FILED 03:23 PM 01/22/2008
SRV 080069053 - 4493349 FILE

CERTIFICATE OF INCORPORATION
OF
HDL THERAPEUTICS, INC.

FIRST: The name of the corporation is HDL Therapeutics, Inc. (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent. The name of its registered agent at such address is National Registered Agents, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code.

FOURTH: The total number of shares of capital stock which the Corporation has authority to issue is 1,000 shares of common stock, $0.0001 par value per share. The designation and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof are as follows: none.

FIFTH: The name and mailing address of the incorporator are as follows: Marie T. Zacny, 2290 First National Building, Detroit, Michigan 48226.

SIXTH: To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended, a director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

I, THE UNDERSIGNED, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate of Incorporation, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 22nd day of January, 2008.

/s/ Marie T. Zacny
Marie T. Zacny, Incorporator

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:21 PM 04/24/2008
FILED 03:13 PM 04/24/2008
SRV 080468597 - 4493349 FILE

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
HDL THERAPEUTICS, INC.

The undersigned, a natural person, for the purpose of organizing a corporation to conduct the business and promote the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware hereby certifies that:

ONE: The date of filing of the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was January 22, 2008.

TWO: The Certificate of Incorporation, as amended, of the corporation is hereby amended and restated as follows:

I.

The name of this corporation is HDL Therapeutics, Inc. (the ***"Company"***).

II.

The address of the registered office of the Company in the State of Delaware is 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, 19904, and the name of the registered agent of the Company in the State of Delaware at such address is National Registered Agents, Inc.

III.

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (***"DGCL"***).

IV.

A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is eighty three million seven hundred fifty thousand two hundred ninety (83,750,290) shares, forty four million twenty five thousand one hundred forty five (44,025,145) shares of which shall be Common Stock (the ***"Common Stock"***) and thirty nine million seven hundred twenty five thousand one hundred forty five (39,725,145) shares of which shall be Preferred Stock (the ***"Preferred Stock"***). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of one cent ($0.001) per share.

B. Thirty three million two hundred fifty thousand (33,250,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the ***"Series A Preferred"***) and six million four hundred seventy five thousand one hundred forty five

(6,475,145) shares of which shall be Series A-1 Preferred Stock (the ***"Series A-1 Preferred"*** and together with the Series A Preferred, the ***"Series Preferred"***).

C. The rights, preferences, privileges, restrictions and other matters relating to the Series Preferred are as follows:

1. DIVIDEND RIGHTS.

(a) Holders of Series Preferred, in preference to the holders of Common Stock, shall be entitled to receive, when, as and if declared by the Board of Directors (the ***"Board"***), but only out of funds that are legally available therefor, cash dividends at the rate of eight percent (8%) of each respective Original Issue Price (as defined below) per annum on each outstanding share of Series Preferred on a pari passu basis (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). Such dividends shall be payable only when, as and if declared by the Board and shall be non-cumulative.

(b) The "Series A Original Issue Price" of the Series A Preferred shall be one dollar ($1.00) (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "Series A-1 Original Issue Price" of the Series A-1 Preferred shall be the Note Conversion Price. The "Note Conversion Price" shall be the price per share at which that certain Convertible Promissory Note issued by the Company to Pfizer, Inc. dated on or about April 24, 2008 are converted to shares of Series A-1 Preferred. As used herein, the term "Original Issue Price" shall refer to the Series A Original Issue Price and/or Series A-1 Original Issue Price, as applicable.

(c) So long as any shares of Series Preferred are outstanding, the Company shall not pay or declare any dividend, whether in cash or property, or make any other distribution on the Common Stock, or purchase, redeem or otherwise acquire for value any shares of Common Stock until all dividends as set forth in Section 1(a) above on the Series Preferred shall have been paid or declared and set apart, except for:

(i) acquisitions of Common Stock by the Company pursuant to agreements which permit the Company to repurchase such shares from employees, officers or directors of, or consultants or advisors to, the Company at cost (or the lesser of cost or fair market value) upon termination of services to the Company;

(ii) acquisitions of Common Stock in exercise of the Company's right of first refusal to repurchase such shares; or

(iii) distributions to holders of Common Stock in accordance with Sections 3 and 4 below.

(d) In the event dividends are paid on any share of Common Stock, including, without limitation, in-kind and stock dividends, the Company shall pay an additional dividend on all outstanding shares of Series A Preferred in a per share amount equal (on an as-if-converted to Common Stock basis) to the amount paid or set aside for each share of Common Stock.

(e) The provisions of Sections 1(c) and 1(d) shall not apply to a dividend payable solely in Common Stock to which the provisions of Section 5(f) hereof are applicable, or any repurchase of any outstanding securities of the Company that is approved by (i) the Board and (ii) the Series Preferred as may be required by this Certificate of Incorporation.

2. VOTING RIGHTS.

(a) General Rights. Each holder of shares of the Series Preferred shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series Preferred could be converted (pursuant to Section 5 hereof) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent and shall have voting rights and powers equal to the voting rights and powers of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company; provided, however, that except as required by law, the holders of Series A-1 Preferred shall not be entitled to notice of or eligible to vote at any meeting of the stockholders of the Company or to vote upon any matter other than as set forth in Section 5(k)(i) of this Certificate of Incorporation. Except as otherwise provided herein or as required by law, the Series A Preferred shall vote together with the Common Stock at any annual or special meeting of the stockholders and not as a separate class, and may act by written consent in the same manner as the Common Stock.

(b) Separate Vote of Series A Preferred. For so long as any shares of Series A Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series A Preferred, voting together as a single class on an as-converted basis, shall be necessary for effecting or validating the following actions (whether by merger, reclassification or otherwise):

(i) Any alteration or change to the rights, preferences or privileges of the Series A Preferred;

(ii) Any increase or decrease in the authorized number of shares of Preferred Stock or Common Stock;

(iii) Any authorization, designation or issuance, whether by merger, reclassification of the outstanding shares of securities of the Company, amendment or otherwise, of any new class or series of stock or any other securities convertible into equity securities of the Company ranking on a parity with or senior to the Series A Preferred;

(iv) Any increase beyond 2,300,000 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like after the filing date hereof) in the number of shares of Common Stock available for issuance under the Company's existing equity plan or other equity incentive plan, *except for* any increase approved by the Company pursuant to Section 7.3 of that certain Series A Preferred Stock Purchase Agreement by and between the Company and the Purchasers named therein, dated on or about the date hereof (the ***"Purchase Agreement"***).

(v) Any redemption, repurchase or other acquisition with respect to any outstanding shares of the Company's Common Stock or rights to acquire Common Stock (except with respect to Common Stock, stock repurchased upon termination of an employee or consultant pursuant to the Company's equity incentive plan or a restricted stock purchase agreement);

(vi) Any agreement by the Company or its stockholders regarding an Asset Transfer or Acquisition (each as defined in Section 4 hereof);

(vii) Any amendment or waiver of any provision of the Company's Certificate of Incorporation or Bylaws in a manner adverse to the Series A Preferred;

(viii) Any action that directly or indirectly results in payment or declaration of dividends or making any other distribution on any shares of Common Stock or Preferred Stock now or hereafter outstanding other than dividends required pursuant to Section 1(d) hereof;

(ix) Any voluntary dissolution or liquidation of the Company;

(x) Any indebtedness, borrowings, loans, or guarantees (other than payables in the ordinary course of business) in excess of an aggregate of one million dollars ($1,000,000);

(xi) Any agreement by the Company regarding the sale, license, or transfer of rights to any material intellectual property, other than agreements to jointly develop, promote or market products or licenses in the ordinary course of the Company's business;

(xii) Any expenditures in excess of two hundred fifty thousand dollars ($250,000) not provided for in the annual budget approved by the Board;

(xiii) Any increase in the authorized number of members of the Company's Board;

(xiv) Any action that would result in the taxation of the holders of the Series A Preferred under Section 305 of the Internal Revenue Code.

(c) Election of Board of Directors.

(i) The holders of Series A Preferred voting as a single class on an as-converted basis shall be entitled to elect three (3) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors (the ***"Preferred Directors"),*** and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(ii) The holders of Common Stock, voting as a separate class, shall be entitled to elect one (1) member of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office

such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(iii) The holders of Common Stock and Series A Preferred, voting together as a single class on an as-if-converted basis, shall be entitled to elect all remaining members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(iv) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled.

3. LIQUIDATION RIGHTS.

(a) Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary (a ***"Liquidation Event"***), before any distribution or payment shall be made to the holders of any Common Stock and/or any other junior equity security, the holders of Series A Preferred, shall be entitled to be paid out of the assets of the Company legally available for distribution for each share of Series A Preferred held by them, an amount per share of Series A Preferred equal to the applicable Original Issue Price (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Series A Preferred after the filing date hereof) plus all declared and unpaid dividends on the Series A Preferred. If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series A Preferred of the liquidation preference set forth in this Section 3(a), then such assets (or consideration) shall be distributed among the holders of Series A Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(b) After the payment of the full liquidation preference of the Series A Preferred as set forth in Section 3(a) above, upon a Liquidation Event, before any distribution or payment shall be made to the holders of any Common Stock and/or any other junior equity security, the holders of Series A-1 Preferred, shall be entitled to be paid out of the assets of the Company legally available for distribution for each share of Series A-1 Preferred held by them, an amount per share of Series A-1 Preferred equal to the applicable Original Issue Price (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Series A-1 Preferred after the filing date hereof) plus all declared and unpaid dividends on the Series A-1 Preferred. If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series A-1 Preferred of the liquidation preference set forth in this Section 3(b), then such assets (or consideration) shall be distributed among the holders of Series A-1 Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(c) After the payment of the full liquidation preference of the Series A Preferred and Series A-1 Preferred as set forth in Section 3(a) and Section 3(b) above, the remaining assets of the Company legally available for distribution in such Liquidation Event (or the consideration received by the Company or its stockholders in such Acquisition or Asset

Transfer), if any, shall be distributed ratably to the holders of the Common Stock and Series A Preferred on a pari passu basis and an as-if-converted to Common Stock basis.

4. ASSET TRANSFER OR ACQUISITION RIGHTS.

(a) In the event of an Acquisition or Asset Transfer (each as hereinafter defined), then each holder of Series Preferred shall be entitled to receive, for each share of Series Preferred then held, out of the proceeds of such Acquisition or Asset Transfer, the amount of cash, securities or other property to which such holder would be entitled to receive in a Liquidation Event pursuant to Section 3(a) and 3(b) above, unless the holders of a majority of the Series Preferred, voting together as a single class on an as-converted basis, elect to waive treatment of such Acquisition or Asset Transfer as a Liquidation Event.

(b) For the purposes of this Section 4: (i) "Acquisition" shall mean a merger with or into or consolidation with any other corporation, limited liability company or other entity (other than a wholly owned subsidiary of the Company) or any other transaction or series of related transactions in which in excess of

fifty percent (50%) of the Company's voting power is transferred, provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; and (ii) "Asset Transfer" shall mean a sale, lease, exclusive license or other disposition of all or substantially all of the assets or intellectual property of the Company in a single transaction or series of related transactions.

(c) In any Acquisition or Asset Transfer, if the consideration to be received is securities of a corporation or other property other than cash, its value shall be equal to the value of such property in accordance with the terms of such Acquisition or Asset Transfer, provided if no such value is so established, such value shall instead be deemed its fair market value as determined in good faith by the Board on the date such determination is made.

5. CONVERSION RIGHTS.

The holders of the Series Preferred shall have the following rights with respect to the conversion of the Series Preferred into shares of Common Stock (the ***"Conversion Rights"***):

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 5, any shares of Series Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series Preferred shall be entitled upon conversion shall be the product obtained by multiplying the "Series Preferred Conversion Rate" then in effect (determined as provided in Section 5(b)) by the number of shares of Series Preferred being converted.

(b) Series A Preferred Conversion Rate and Series A-1 Preferred Conversion Rate. The conversion rate in effect at any time for conversion of the Series A Preferred (the ***"Series A Preferred Conversion Rate"***) shall be the quotient obtained by dividing

the Series A Original Issue Price by the "Series A Preferred Conversion Price," calculated as provided in Section 5(c). The conversion rate in effect at any time for conversion of the Series A-1 Preferred (the ***"Series A-1 Preferred Conversion Rate")*** shall be the quotient obtained by dividing the Series A-1 Original Issue Price by the "Series A-1 Preferred Conversion Price," calculated as provided in Section 5(c).

(c) Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price. The conversion price for the Series A Preferred shall initially be one dollar ($1.00) (the ***"Series A Preferred Conversion Price"*)**. Such initial Series A Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 5. All references to the Series A Preferred Conversion Price herein shall mean the Series A Preferred Conversion Price as so adjusted. The conversion price for the Series A-1 Preferred shall initially be the Series A-1 Original Issue Price (the ***"Series A-1 Preferred Conversion Price"*)**. Such initial Series A-1 Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 5. All references to the Series A-1 Preferred Conversion Price herein shall mean the Series A-1 Preferred Conversion Price as so adjusted.

(d) Mechanics of Conversion. Each holder of each respective Series Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 5 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Series Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board as of the date of such conversion), any declared and unpaid dividends on the shares of Series Preferred being converted and (ii) in cash (at the Common Stock's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Common Stock otherwise issuable to any holder of Series Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(e) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the date that the first share of Series A Preferred, in respect of the Series A Preferred, or Series A-1 Preferred, in respect of the Series A-1 Preferred, is issued (each date, respectively, the ***"Original Issue Date"*)** the Company effects a subdivision of the outstanding Common Stock without a corresponding subdivision of the Series Preferred, each of the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Original Issue Date the Company combines the outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of the Series Preferred, the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price in effect immediately before the combination shall be proportionately

increased. Any adjustment under this Section 5(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Original Issue Date the Company pays to holders of Common Stock a dividend or other distribution in additional shares of Common Stock without a corresponding dividend or other distribution to holders of Preferred Stock, each of the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price then in effect shall be decreased as of the time of such issuance, as provided below:

(i) The Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price shall be adjusted by multiplying the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price, respectively, then in effect by a fraction equal to:

(A) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance, and

(B) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

(ii) If the Company fixes a record date to determine which holders of Common Stock are entitled to receive such dividend or other distribution, the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price shall be fixed as of the close of business on such record date and the number of shares of Common Stock shall be calculated immediately prior to the close of business on such record date; and

(iii) If such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Preferred Conversion Price and Series A-I Preferred Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price shall be adjusted pursuant to this Section 5(f) to reflect the actual payment of such dividend or distribution.

(g) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Original Issue Date the Common Stock issuable upon the conversion of the Series A Preferred and Series A-1 Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition or Asset Transfer treated as a Liquidation Event in accordance with Section 4 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5), in any such event each holder of Series A Preferred and Series A-1 Preferred shall then have the right to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification, merger, consolidation or other change by holders of the maximum number of shares of Common Stock

into which such shares of Series A Preferred and Series A-1 Preferred could have been converted immediately prior to such recapitalization, reclassification, merger, consolidation or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of Series Preferred after the capital reorganization to the end that the provisions of this Section 5 (including adjustment of the Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series A Preferred and Series A-1 Preferred, respectively) shall be applicable after that event and be as nearly equivalent as practicable.

(h) Sale of Shares Below Series Preferred Conversion Price.

(i) If at any time or from time to time on or after the Original Issue Date the Company issues or sells, or is deemed by the express provisions of this Section 5(h) to have issued or sold, Additional Shares of Common Stock (as defined below), other than as provided in Section 5(e), 5(f) or 5(g) above, for an Effective Price (as defined below) less than the then effective Series A Preferred Conversion Price (a ***"Qualifying Dilutive Issuance"***), then and in each such case, the then existing Series A Preferred Conversion Price shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Series A Preferred Conversion Price in effect immediately prior to such issuance or sale by a fraction equal to:

(A) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the Aggregate Consideration (as defined below) received or deemed received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such then-existing Series A Preferred Conversion Price and

(B) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued.

For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock actually outstanding plus (B) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred could be converted if fully converted on the day immediately preceding the given date. The number of shares of Common Stock deemed outstanding as of a given date shall include the number of shares of Common Stock which are issuable upon the exercise or conversion of any other rights, options and convertible securities outstanding on the day immediately preceding the given date.

(ii) No adjustment shall be made to the Series A Preferred Conversion Price in an amount less than one cent per share. Any adjustment required by this Section 5(h) shall be rounded to the nearest one cent ($0.01) per share. Any adjustment otherwise

required by this Section 5(h) that is not required to be made due to the preceding two sentences shall be included in any subsequent adjustment to the Series A Preferred Conversion Price.

(iii) For the purpose of making any adjustment required under this Section 5(h), the aggregate consideration received by the Company for any issue or sale of securities (the ***"Aggregate Consideration"***) shall be defined as: (A) to the extent it consists of cash, be computed at the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, be computed at the fair value of that property established in any "arms-length" transaction resulting in such consideration or, if no such value is so established, as determined in good faith by the Board, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined below) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iv) For the purpose of the adjustment required under this Section 5(h), if the Company issues or sells (x) Preferred Stock or other stock, options, warrants, purchase rights or other securities convertible into Additional Shares of Common Stock (such convertible stock or securities being herein referred to as ***"Convertible Securities"***) or (y) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities or rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities (such rights or options, the ***"Rights or Options"***) and if the Effective Price of such Additional Shares of Common Stock is less than the Series A Preferred Conversion Price, in each case the Company shall be deemed to have issued at the time of the issuance of such Rights or Options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such Rights or Options or Convertible Securities plus:

(A) in the case of such Rights or Options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such Rights or Options; and

(B) in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); *provided* that if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

(C) If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by

reason of antidilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; *provided further,* that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such Rights or Options or Convertible Securities.

(D) No further adjustment of the Series A Preferred Conversion Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock or the exercise of any such Rights or Options or the conversion of any such Convertible Securities. If any such Rights or Options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, each of the Series A Preferred Conversion Price as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the respective Series A Preferred Conversion Price which would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such Rights or Options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such Rights or Options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities, *provided* that such readjustment shall not apply to prior conversions of Series A Preferred.

(v) For the purpose of making any adjustment to the Series A Preferred Conversion Price required under this Section 5(h), "Additional Shares of Common Stock" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 5(h) (including shares of Common Stock subsequently reacquired or retired by the Company), other than:

(A) shares of Common Stock issued upon conversion of the Series Preferred;

(B) up to 2,300,000 shares, plus up to an additional 1,200,000 shares pursuant to Section 7.3 of the Purchase Agreement, of Common Stock issued or issuable pursuant to options, warrants or other Common Stock purchase rights (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like after the filing date hereof) after the Original Issue Date to employees, officers or directors of, or consultants or advisors to, the Company or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board; *provided, however,* that such amounts shall be increased to reflect any shares of Common Stock (i) not issued pursuant to the rights, agreements, option or warrants (***"Unexercised Options"***) as a result of the termination of such Unexercised Options or (ii) reacquired by the Company from employees, directors or consultants

at cost (or the lesser of cost or fair market value) pursuant to agreements which permit the Company to repurchase such shares upon termination of services to the Company;

(C) shares of Common Stock issued pursuant to the exercise of Convertible Securities outstanding as of the Original Issue Date;

(D) shares of Common Stock or Convertible Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial institution approved by the Board;

(E) shares of Common Stock or Convertible Securities issued to third-party service providers to the Company in exchange for or as partial consideration for services rendered to the Company as approved by the Board;

(F) any Common Stock or Convertible Securities issued in connection with strategic transactions involving the Company and other entities, including (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board;

(G) Common Stock issued pursuant to a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company;

(H) shares of Common Stock, Convertible Securities, or Rights or Options issued in connection with a bona fide business acquisition by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise, as approved by the Company's Board; and

(I) any securities issued in any other transaction in which exemption from the anti-dilution provisions of this Section 5(h) is approved by an affirmative vote of the holders of at least a majority of the then-outstanding Series A Preferred voting together as a single class on an as-converted basis.

References to Common Stock in the subsections of this clause (v) above shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 5(h). The "Effective Price" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 5(h), into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under this Section 5(h), for such Additional Shares of Common Stock. In the event that the number of shares of Additional Shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such Additional Shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

(vi) In the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance (the ***"First Dilutive Issuance"***), then in the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance other than the First Dilutive Issuance as a part of the same transaction or series of related transactions as the First Dilutive Issuance (a ***"Subsequent Dilutive Issuance"***), then and in each such case upon a Subsequent Dilutive Issuance with respect to each of the Series A Preferred Conversion Price shall be reduced to the Series A Preferred Conversion Price that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance, as the case may be.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the Series A Preferred Conversion Price or the Series A-1 Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series A Preferred or the Series A-1 Preferred, if the Series A Preferred or the Series A-1 Preferred is then convertible pursuant to this Section 5, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred or Series A-1 Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold,

(ii) the Series A Preferred Conversion Price or the Series A-1 Preferred Conversion Price at the time in effect, (iii) the number of Additional Shares of Common Stock and (iv) the type and amount, if any, of other property which at the time would be received upon conversion of the Series A Preferred or the Series A-1 Preferred. Failure to request or provide such notice shall have no effect on any such adjustment.

(j) Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 4) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 4), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of at least a majority of all outstanding Series A Preferred voting together as a single class on an as-converted basis) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or

other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) Automatic Conversion.

(i) Series Preferred. Each share of Series A Preferred and Series A-1 Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Series A Preferred Conversion Price and Series A-1 Preferred Conversion Price, as applicable, at any time upon the affirmative election of the holders of at least sixty percent (60%) of the outstanding shares of the Series A Preferred and Series A-1 Preferred, voting together as a single class. Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 5(d).

(ii) Series A Preferred. Each share of Series A Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Series A Preferred Conversion Price (A) at any time upon the affirmative election of the holders of at least two-thirds (2/3) of the outstanding shares of the Series A Preferred, (B) immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which (i) the per share price is not less than three (3) times the Series A Original Issue Price (as adjusted for stock splits, dividends, recapitalizations and the like after the filing date hereof), and (ii) the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are at least forty million dollars ($40,000,000), or (C) upon the affirmative election of at least a majority of the outstanding shares of the Series A Preferred following the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, that covers the offer and sale of Common Stock for the account of the Company in which either the per share price or the gross cash proceeds to the Company (before underwriting discounts, commission and fees) do not meet the applicable requirements of this subsection (k)(ii)(B)(i) or (ii) above. Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 5(d).

(iii) Series A-1 Preferred. Each share of Series A-1 Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Series A-1 Preferred Conversion Price immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are at least twenty five million dollars ($25,000,000). Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 5(d).

(iv) Upon the occurrence of any of the events specified in Section 5(k)(i), (ii) or (iii) above, the outstanding shares of Series Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *provided*, *however*, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such

shares of Series Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series Preferred, the holders of Series Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series Preferred. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series Preferred surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 5(d).

(l) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (as determined by the Board) on the date of conversion.

(m) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(n) Notices. Any notice required by the provisions of this Section 5 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(o) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Series Preferred, excluding any tax or other charge imposed in

connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series Preferred so converted were registered.

(p) Special Mandatory Conversion. In the event that a holder of Series A Preferred is a Non-Participating Purchaser (as defined in the Purchase Agreement), each share of such holder's Series A Preferred shall be, automatically and without further action on the part of such holder, converted into Common Stock at the Series A Preferred Conversion Price then in effect.

(q) Delivery of Certificates. The holder of any shares of Series A Preferred converted pursuant to this Section IV.C.5 shall deliver to the Company during regular business hours at the office of any transfer agent of the Company for the Series A Preferred, or at such other place as may be designated by the Company, the certificate or certificates representing the shares so converted, duly endorsed or assigned in blank or to the Company. As promptly thereafter as practicable, the Company shall issue and deliver to such holder, at the place designated by the holder, a certificate or certificates for the number of shares of Common Stock to which such holder is entitled. The person in whose name the certificate for such shares of Common Stock is to be issued shall be deemed to have become a shareholder of record of such shares on the date such holder becomes a Non-Participating Purchaser (as defined above).

6. NO REISSUANCE OF SERIES PREFERRED.

No share or shares of Series Preferred acquired by the Company by reason of redemption, purchase, conversion or otherwise shall be reissued.

V.

A. The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

B. Any repeal or modification of this Article V shall only be prospective and shall not affect the rights under this Article V in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

C. In the event that a member of the Board of Directors of the Company who is also a partner or employee of an entity that is a holder of Preferred Stock and that is in the business of investing and reinvesting in other entities, or an employee of an entity that manages such an entity (each, a ***"Fund"***) acquires knowledge of a potential transaction or other matter in such individual's capacity as a partner or employee of the Fund or the manager or general partner of the Fund (and other than directly in connection with such individual's service as a member of the Board of Directors of the Company) and that may be an opportunity of interest for both the Company and such Fund (a ***"Corporate Opportunity"***), then the Company (i) renounces any expectancy that such director or Fund offer an opportunity to participate in such Corporate Opportunity to the Company and (ii) to the fullest extent permitted by law, waives any claim that such opportunity constituted a Corporate Opportunity that should have been presented by such director or Fund to the Company or any of its affiliates; provided, however, that such director acts in good faith.

VI.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further *provided* that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board. The number of directors which shall constitute the whole Board shall be fixed by the Board in the manner provided in the Bylaws, subject to any restrictions which may be set forth in this Amended and Restated Certificate of Incorporation.

B. Subject to any restrictions that may be set forth in this Amended and Restated Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Company; provided however, that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Company.

C. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

* * * *

THREE: This Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Company.

FOUR: This Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the DGCL. This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

IN WITNESS WHEREOF, HDL Therapeutics, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its Chief Executive Officer this 24th day of April 2008.

HDL THERAPEUTICS, INC.

By /s/ Roger Newton
Roger Newton
Its President and Chief Executive Officer

SIGNATURE PAGE

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:15 AM 05/05/2008
FILED 11:15 AM 05/05/2008
SRV 080503050 - 4493349 FILE

STATE OF DELAWARE

CERTIFICATE OF OWNERSHIP

SUBSIDIARY INTO PARENT
Section 253

CERTIFICATE OF OWNERSHIP
MERGING

ESPERION THERAPEUTICS, INC.
a Delaware corporation

into

HDL THERAPEUTICS, INC.
a Delaware corporation

Pursuant to Section 253 of the Delaware General Corporation Law, as amended (the "DGCL")

HDL THERAFEUTICS, INC., a corporation incorporated on January 22, 2008, pursuant to the DGCL (**"*Parent*"**), **DOES HEREBY CERTIFY** that Parent owns all of the capital stock of ESPERION THERAPEUTICS, INC., a corporation incorporated on May 18, 1998 pursuant to the DGCL (**"*Subsidiary*"**), and that Parent, by the following resolution of its Board of Directors, duly adopted by unanimous written consent as of April 24, 2008, determined to and did merge into itself said Subsidiary:

WHEREAS, Parent lawfully owns at least 90% of the outstanding stock of Subsidiary; and

WHEREAS, Parent desires Subsidiary to merge into Parent pursuant to Section 253 of DGCL and to be possessed of all the estate, property, rights, privileges and franchises of Subsidiary.

NOW, THEREFORE, BE IT RESOLVED, that Subsidiary merge into Parent with Parent being the survivor and thereby assuming all of the liabilities and obligations of Subsidiary (the **"*Merger*"**), and

FURTHER RESOLVED, that an authorized officer of Parent be and is hereby authorized and directed to make and execute a certificate of ownership setting forth a copy of such resolution relating to the Merger and the date of adoption thereof, and to file the same in the office of the Secretary of State of Delaware.

FURTHER RESOLVED, that the officers of Parent be and they hereby are authorized and directed to do all acts and things whatsoever, whether within or without the State of Delaware; which may be in any way necessary or proper to effect the Merger.

FURTHER RESOLVED, that as a result of the Merger, each issued and outstanding share of capital stock of Subsidiary shall automatically be canceled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

FURTHER RESOLVED, that upon the effectiveness of the Merger, the name of the Parent shall be changed to "Esperion Therapeutics, Inc."

FURTHER RESOLVED, that the Merger shall be effective upon the date of filing of this Certificate of Ownership and Merger with the Secretary of State of the State of Delaware.

FURTHER RESOLVED, that all prior actions taken by the officers of Parent in connection with and in furtherance of the foregoing resolutions be, and each of them hereby is authorized, approved, ratified and confirmed in all respects as the proper acts and deeds of Parent.

Parent has caused this certificate to be signed by an authorized officer on May 1, 2008.

HDL THERAPEUTICS, INC.

By: /s/ Roger S. Newton
Roger S. Newton
Its President and CEO

State of Delaware
Secretary of State
Division of Corporations

Delivered 04:23 PM 02/12/2010
FILED 04:15 PM 02/12/2010
SRV 100139411 - 4493349 FILE

AMENDMENT TO
THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the **"Company"**), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the **"General Corporation Law"**),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, declaring said amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Company amend its Amended and Restated Certificate of Incorporation by amending and restating Section 2(c)(i) of Article IV, Part C, to read in its entirety as follows (the ***"Amendment"***):

"The holders of Series A Preferred voting as a single class on an as-converted basis shall be entitled to elect four (4) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors (the ***"Preferred Directors"***), and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors."

* * *

3. That the foregoing Amendment to the Company's Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the General Corporation Law.

---

4. That this Amendment to the Company's Amended and Restated Certificate of Incorporation, which amends the provisions of the Company's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 12th day of February, 2010.

By: /s/ Roger Newton
Name: Roger Newton
Title: President and Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:43 AM 04/05/2010
FILED 11:41 AM 04/05/2010
SRV 100348914 - 4493349 FILE

AMENDMENT TO
THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the **"Company"**), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the **"General Corporation Law"**),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, declaring said amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Company amend its Amended and Restated Certificate of Incorporation by amending and restating Article IV, Parts A and B, to read in their entirety as follows (the ***"Amendment"***):

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is eighty five million seven hundred fifty thousand two hundred ninety (85,750,290) shares, forty five million twenty five thousand one hundred forty five (45,025,145) shares of which shall be Common Stock (the ***"Common Stock"***) and forty million seven hundred twenty five thousand one hundred forty five (40,725,145) shares of which shall be Preferred Stock (the ***"Preferred Stock"***). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth one cent ($0.001) per share.

B. Thirty four million two hundred fifty thousand (34,250,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the ***"Series A Preferred Stock"***) and six million four hundred seventy five thousand one hundred forty five (6,475,145) shares of which shall be Series A-1 Preferred Stock (the ***"Series A-1 Preferred"*** and together with the Series A Preferred, the ***"Series Preferred"***)."

* * *

3. That the foregoing Amendment to the Company's Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the General Corporation Law.

4. That this Amendment to the Company's Amended and Restated Certificate of Incorporation, which amends the provisions of the Company's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 5th day of April, 2010.

By: /s/ Roger Newton
Name: Roger Newton
Title: President and Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:44 PM 10/25/2010
FILED 06:38 PM 10/25/2010
SRV 101026480 - 4493349 FILE

AMENDMENT TO
THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the "**Company**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, declaring said amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Company amend its Amended and Restated Certificate of Incorporation, as amended, by amending and restating Article IV, Parts A and B, to read in their entirety as follows (the "***Amendment***"):

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is ninety one million one hundred seventy two thousand three hundred twenty nine (91,172,329) shares, fifty million (50,000,000) shares of which shall be Common Stock (the "***Common Stock***") and forty one million one hundred seventy two thousand three hundred twenty nine (41,172,329) shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of one-tenth of one

---

cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of one cent ($0.001) per share.

B. Thirty four million two hundred seventy five thousand (34,275,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the "***Series A Preferred Stock***") and six million eight hundred ninety seven thousand three hundred twenty nine (6,897,329) shares of which shall be Series A-1 Preferred Stock (the "***Series A-1 Preferred***" and together with the Series A Preferred, the "***Series Preferred***")."

* * *

3. That the foregoing Amendment to the Company's Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the General Corporation Law.

4. That this Amendment to the Company's Amended and Restated Certificate of Incorporation, which amends the provisions of the Company's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 25th day of October, 2010.

By: /s/ Roger Newton
Name: Roger Newton
Title: President and Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:17 AM 01/27/2011
FILED 06:00 PM 01/26/2011
SRV 110084519 - 4493349 FILE

AMENDMENT TO
THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the "**Company**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, declaring said amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Company amend its Amended and Restated Certificate of Incorporation, as amended, by amending and restating Article IV, Parts A and B, to read in their entirety as follows (the "***Amendment***"):

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is ninety one million six hundred eighty two thousand three hundred twenty nine (91,682,329) shares, fifty million (50,000,000) shares of which shall be Common Stock (the "***Common Stock***") and forty one million six hundred eighty two thousand three hundred twenty nine (41,682,329)

---

shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of one cent ($0.001) per share.

B. Thirty four million seven hundred eighty five thousand (34,785,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the "***Series A Preferred Stock***") and six million eight hundred ninety seven thousand three hundred twenty nine (6,897,329) shares of which shall be Series A-1 Preferred Stock (the "***Series A-1 Preferred***" and together with the Series A Preferred, the "***Series Preferred***")."

* * *

3. That the foregoing Amendment to the Company's Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the General Corporation Law.

4. That this Amendment to the Company's Amended and Restated Certificate of Incorporation, which amends the provisions of the Company's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 26th day of January, 2011.

By: /s/ Roger Newton
Name: Roger Newton
Title: President and Chief Executive Officer

[Signature Page to the Amendment to the Certificate of Incorporation]

STATE OF DELAWARE

WAIVER OF REQUIREMENT
FOR AFFIDAVIT OF EXTRAORDINARY CONDITION

It appears to the Secretary of State that an earlier effort to deliver this instrument and tender such taxes and fees was made in good faith on the file date stamped hereto. The Secretary of State has determined that an extraordinary condition (as reflected in the records of the Secretary of State) existed at such date and time and that such earlier effort was unsuccessful as a result of the existence of such extraordinary condition, and that such actual delivery and tender were made within a reasonable period (not to exceed two business days) after the cessation of such extraordinary condition and establishes such date and time as the filing date of such instrument.

Jeffrey W. Bullock
Jeffrey W. Bullock
Secretary of State

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:17 AM 01/27/2011
FILED 06:00 PM 01/26/2011
SRV 110084519 - 4493349 FILE

STATE OF DELAWARE

WAIVER OF REQUIREMENT
FOR AFFIDAVIT OF EXTRAORDINARY CONDITION

It appears to the Secretary of State that an earlier effort to deliver this instrument and tender such taxes and fees was made in good faith on the file date stamped hereto. The Secretary of State has determined that an extraordinary condition (as reflected in the records of the Secretary of State) existed at such date and time and that such earlier effort was unsuccessful as a result of the existence of such extraordinary condition, and that such actual delivery and tender were made within a reasonable period (not to exceed two business days) after the cessation of such extraordinary condition and establishes such date and time as the filing date of such instrument.

Jeffrey W. Bullock
Jeffrey W. Bullock
Secretary of State

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:28 PM 09/04/2012
FILED 02:33 PM 09/04/2012
SRV 120996450 - 4493349 FILE

AMENDMENT TO
THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS. INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics. Inc. (the "**Company**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2011.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, declaring said amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment is as follows:

RESOLVED: That the Company amend its Amended and Restated Certificate of Incorporation, as amended, by amending and restating Article IV, Parts A and B, to read in their entirety as follows (the "***Amendment***"):

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is ninety two million six hundred forty seven thousand two hundred eighty three (92,647,283) shares, fifty million (50,000.000) shares of which shall be Common Stock (the "***Common Stock***") and forty two million six hundred forty seven thousand two hundred eighty three (42,647,283) shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per

---

share and the Common Stock shall have a par value of one-tenth of one cent ($0.001) per share.

B. Thirty four million seven hundred eighty five thousand (34,785,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the "***Series A Preferred Stock***") and seven million eight hundred sixty two thousand two hundred eighty three (7,862,283) of the authorized shares of Preferred Stock are hereby designated "Series A-1 Preferred Stock" (the "***Series A-1 Preferred***" and together with the Series A Preferred, the "***Series Preferred***")."

* * *

3. That the foregoing Amendment to the Company's Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the General Corporation Law.

4. That this Amendment to the Company's Amended and Restated Certificate of Incorporation, which amends the provisions of the Company's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Section 242 of the General Corporation Law.

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 4th day of September, 2012.

By: /s/ Roger S. Newton
Name: Roger Newton
Title: President and Chief Executive Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:50 AM 12/20/2012
FILED 11:50 AM 12/20/2012
SRV 121370229 - 4493349 FILE

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the "**Company**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2011. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on September 4, 2012.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, as amended, declaring this Amendment to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders thereto.

3. That this Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law by written consent of the stockholders holding the requisite number of shares required by statute given in accordance with and pursuant to Section 228 of the General Corporation Law of the State of Delaware with written notice to be given to those stockholders who did not consent as provided in that section.

4. That upon the effectiveness of this Amendment, Article IV, Part C, Section 2(b)(iv) of the Amended and Restated Certificate of Incorporation is hereby amended by replacing "2,300,000" with "4,800,000".

---

5. That upon the effectiveness of this Amendment, Article IV, Part C, Section 5(h)(v)(B) of the Amended and Restated Certificate of Incorporation is hereby amended by replacing "2,300,000" with "4,800,000".

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 20th day of December, 2012.

By: /s/ Tim Mayleben
Name: Tim Mayleben
Title: President and Chief Executive Officer

[Signature page to the Amendment to the Certificate of Incorporation]

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:59 PM 01/14/2013
FILED 06:59 PM 01/14/2013
SRV 130047502 - 4493349 FILE

CERTIFICATE OF CORRECTION
OF THE
CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

Esperion Therapeutics, Inc. (the "**Company**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of the Company is Esperion Therapeutics, Inc.

2. That an amendment to the Company's Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of Delaware on December 20, 2012 (the "**Existing Certificate**") requires correction as permitted by Section 103 of the General Corporation Law.

3. That the inaccuracies or defects in the Existing Certificate to be corrected are typographical errors in Article IV, Part C, Section 2(b)(iv) and Article IV, Part C, Section 5(h)(v)(B).

4. That Article IV, Part C, Section 2(b)(iv) of the Existing Certificate is corrected by replacing "4,800,000" with "5,000,000".

5. That Article IV, Part C, Section 5(h)(v)(B) of the Existing Certificate is corrected by replacing "4,800,000" with "5,000,000".

[Signature Page Follows]

IN WITNESS WHEREOF, this Certificate of Correction of the Certificate of Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 14th day of January, 2013.

By: /s/ Roger Newton
Name: Roger Newton
Title: Executive Chairman and Chief Scientific Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:16 PM 02/08/2013
FILED 01:06 PM 02/08/2013
SRV 130149171 - 4493349 FILE

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the **"Company"**), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the **"General Corporation Law"**),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2011. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on September 4, 2012. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on December 20, 2012. A Certificate of Correction of such amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 14, 2013.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, as amended, declaring this Certificate of Amendment of the Amended and Restated Certificate of Incoropration of Esperion Therapeutics, Inc. (this **"Amendment"**) to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders thereto.

3. That this Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law by written consent of the stockholders holding the requisite number of shares required by statute given in accordance with and pursuant to Section 228 of the General Corporation Law of the State of Delaware with written notice to be given to those stockholders who did not consent as provided in that section.

---

4. That upon the effectiveness of this Amendment, Article IV, Parts A and B of the Amended and Restated Certificate of Incorporation are hereby amended and restated to read in their entirety as follows:

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is one hundred six million eighteen thousand five hundred six (106,018,506) shares, fifty-six million five hundred nineteen thousand two hundred fifty-three (56,519,253) shares of which shall be Common Stock (the ***"Common Stock"***) and forty-nine million four hundred ninety-nine thousand two hundred fifty-three (49,499,253) shares of which shall be Preferred Stock (the ***"Preferred Stock"***). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of on cent ($0.001) per share.

B. Forty-one million six hundred thirty-six thousand nine hundred seventy (41,636,970) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the ***"Series A Preferred Stock"***) and seven million eight hundred sixty-two thousand two hundred eighty-three (7,862,283) shares of which shall be Series A-1 Preferred Stock (the ***"Series A-1 Preferred"*** and together with the Series A Preferred, the ***"Series Preferred"***)."

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 8th day of February, 2013.

By: /s/ Tim Mayleben
Name: Tim Mayleben
Title: President and Chief Executive Officer

[Signature Page to the Amendment to the Certificate of Incorporation]

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:15 PM 03/25/2013
FILED 06:06 PM 03/25/2013

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the **"Company"**), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the **"General Corporation Law"**),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2011. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on September 4, 2012. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on December 20, 2012. A Certificate of Correction of such amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 14, 2013. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 8, 2013.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, as amended, declaring this Certificate of Amendment of the Amended and Restated Certificate of Incoropration of Esperion Therapeutics, Inc. (this **"Amendment"**) to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders thereto.

3. That this Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law by written consent of the stockholders holding the requisite number of shares required by statute given in accordance with and pursuant to

---

Section 228 of the General Corporation Law of the State of Delaware with written notice to be given to those stockholders who did not consent as provided in that section.

4. That upon the effectiveness of this Amendment, Article IV, Parts A and B of the Amended and Restated Certificate of Incorporation are hereby amended and restated to read in their entirety as follows:

> "A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is one hundred eight million six hundred twenty thousand seven hundred fifty (108,620,750) shares, fifty-eight million two hundred twenty thousand three hundred seventy-five (58,220,375) shares of which shall be Common Stock (the ***"Common Stock"***) and fifty million four hundred thousand three hundred seventy-five (50,400,375) shares of which shall be Preferred Stock (the ***"Preferred Stock"***). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of on cent ($0.001) per share.
>
> B. Forty-two million five hundred thirty-eight thousand ninety-two (42,538,092) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the ***"Series A Preferred Stock"***) and seven million eight hundred sixty-two thousand two hundred eighty-three (7,862,283) shares of which shall be Series A-1 Preferred Stock (the ***"Series A-1 Preferred"*** and together with the Series A Preferred, the ***"Series Preferred"***)."

5. That upon the effectiveness of this Amendment, Article IV, Part C, Section 2(b)(iv) of the Amended and Restated Certificate of Incorporation is hereby amended by replacing "5,000,000" with "5,800,000".

6. That upon the effectiveness of this Amendment, Article IV, Part C, Section 5(h)(v)(B) of the Amended and Restated Certificate of Incorporation is hereby amended by replacing "5,000,000" with "5,800,000".

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 25th day of March, 2013.

By: /s/ Tim Mayleben
Name: Tim Mayleben
Title: President and Chief Executive Officer

[Signature Page to the Amendment to the Certificate of Incorporation]

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:29 PM 04/10/2013
FILED 08:23 PM 04/10/2013

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ESPERION THERAPEUTICS, INC.

(Pursuant to Section 242 of the
General Corporation Law of the State of Delaware)

Esperion Therapeutics, Inc. (the **"Company"**), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the **"General Corporation Law"**),

DOES HEREBY CERTIFY:

1. That the Company's original Certificate of Incorporation was filed with the Secretary of State of Delaware on January 22, 2008 under the name "HDL Therapeutics, Inc." The Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 24, 2008. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 12, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 5, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on October 25, 2010. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 26, 2011. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on September 4, 2012. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on December 20, 2012. A Certificate of Correction of such amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on January 14, 2013. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on February 8, 2013. An amendment to the Company's Amended and Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on March 25, 2013.

2. That the Board of Directors of the Company duly adopted resolutions proposing to amend the Amended and Restated Certificate of Incorporation of the Company, as amended, declaring this Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Esperion Therapeutics, Inc. (this **"Amendment"**) to be advisable and in the best interests of the Company and its stockholders, and authorizing the appropriate officers of the Company to solicit the consent of the stockholders thereto.

3. That this Amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law by written consent of the stockholders holding

---

the requisite number of shares required by statute given in accordance with and pursuant to Section 228 of the General Corporation Law of the State of Delaware with written notice to be given to those stockholders who did not consent as provided in that section.

4. That upon the effectiveness of this Amendment, Article IV, Parts A and B of the Amended and Restated Certificate of Incorporation are hereby amended and restated to read in their entirety as follows:

"A. The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Company is authorized to issue is 142,620,750 shares, 75,220,375 shares of which shall be Common Stock (the ***"Common Stock"***) and 67,400,375 shares of which shall be Preferred Stock (the ***"Preferred Stock"***). The Preferred Stock shall have a par value of one-tenth of one cent ($0.001) per share and the Common Stock shall have a par value of one-tenth of one cent ($0.001) per share.

B. 59,538,092 of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the ***"Series A Preferred Stock"***) and 7,862,283 shares of which shall be Series A-1 Preferred Stock (the ***"Series A-1 Preferred"*** and together with the Series A Preferred, the ***"Series Preferred"***)."

5. That upon the effectiveness of this Amendment, Section 2(c)(i) of Article IV, Parts C of the Amended and Restated Certificate of Incorporation is hereby amended and restated to read in their entirety as follows:

"The holders of Series A Preferred voting as a single class on an as-converted basis shall be entitled to elect five (5) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors (the ***"Preferred Directors"***), and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors."

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment to the Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of the Company on this 10th day of April, 2013.

By: /s/ Tim Mayleben
Name: Tim Mayleben
Title: President and Chief Executive Officer

HDL THERAPEUTICS, INC.
AMENDED AND RESTATED
BYLAWS

ARTICLE 1
OFFICES

1.1 REGISTERED OFFICE. The registered office of HDL THERAPEUTICS, INC., a Delaware Corporation (the ***"Corporation"***), in the State of Delaware shall be in the City of Wilmington, County of New Castle.

1.2 OTHER OFFICES. The Corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors of the Corporation (the ***"Board of Directors"***), and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE 2
CORPORATE SEAL

2.1 CORPORATE SEAL. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the Corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE 3
STOCKHOLDERS' MEETINGS

3.1 PLACE OF MEETINGS. Meetings of the stockholders of the Corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (the ***"DGCL"***).

3.2 ANNUAL MEETING.

(a) The annual meeting of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the Corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in the following paragraph, who is entitled to vote at the meeting.

(b) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Article 3 Section 3.2(a) above, (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and (ii) such other business must be a proper matter for stockholder action under the DGCL. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the tenth (10^{th}) day following the day on which notice of the date of such annual meeting is given to the stockholders. Such stockholder's notice shall set forth (A) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(c) Except as otherwise provided by law, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

3.3 SPECIAL MEETINGS.

(a) Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer or President, (iii) the Board of Directors or (iv) by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at the meeting, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer or President, or the Secretary of the Corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Article 3 Section 3.4 below. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

3.4 NOTICE OF MEETINGS. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less

than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any

stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

3.5 QUORUM. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

3.6 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another

time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

3.7 VOTING RIGHTS. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the Corporation on the record date, as provided in Article 7 Section 7.4 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

3.8 JOINT OWNERS OF STOCK. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsections (b) and (c) shall be a majority or even-split in interest.

3.9 LIST OF STOCKHOLDERS. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

3.10 ACTION WITHOUT MEETING.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action

which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest date consent is delivered to the Corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware or its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation’s registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the Corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is

delivered with information from which the Corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(e) Notwithstanding the foregoing, no such action by written consent or by electronic transmission may be taken following the closing of the initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the ***"1933***

Act"), covering the offer and sale of Common Stock of the Corporation to the public (the ***"Initial Public Offering")***.

3.11 ORGANIZATION.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE 4
DIRECTORS

4.1 NUMBER AND TERM OF OFFICE. The authorized number of directors of the Corporation shall be determined as provided from time to time by resolution of the Board of Directors.. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient.

4.2 POWERS. The powers of the Corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

4.3 TERM OF DIRECTORS. Subject to any voting agreement among stockholders for the election of directors, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

4.4 VACANCIES. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any class or series of capital stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, *provided, however,* that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

4.5 RESIGNATION. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

4.6 REMOVAL. Subject to any limitations imposed by applicable law and subject to the contractual rights of holders of any class or series of capital stock, the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the Corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of sixty-six and two-thirds percent (66-2/3%) of the voting power of all then-outstanding shares of capital stock of the Corporation, entitled to vote generally at an election of directors.

4.7 MEETINGS.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designated to record and communicate messages,

facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the President or any director.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

4.8 QUORUM AND VOTING.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with these Bylaws and the Certificate of Incorporation; *provided, however,* at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the

directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

4.9 ACTION WITHOUT MEETING. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

4.10 FEES AND COMPENSATION. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

4.11 COMMITTEES.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the Corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may

designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 4.11 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be

waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

4.12 ORGANIZATION. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President, (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

ARTICLE 5
OFFICERS

5.1 OFFICERS DESIGNATED. The officers of the Corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors.

5.2 TENURE AND DUTIES OF OFFICERS.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in paragraph (c) of this Article 5 Section 5.2.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the Corporation, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the Corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject

to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(g) Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

5.3 RESIGNATIONS. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

5.4 REMOVAL. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE 6
EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

6.1 EXECUTION OF CORPORATE INSTRUMENTS.

(a) The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the Corporation.

(b) All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

(c) Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

6.2 VOTING OF SECURITIES OWNED BY THE CORPORATION. All stock and other securities of other Corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE 7
SHARES OF STOCK

7.1 FORM AND EXECUTION OF CERTIFICATES. The shares of the Corporation shall be represented by certificates, or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the President or any Vice President, and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by such holder in the Corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or otherwise required by law or with respect to this section a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.2 LOST CERTIFICATES. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the

Corporation in such manner as it shall require or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

7.3 TRANSFERS.

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.4 FIXING RECORD DATES.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of

stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

7.5 REGISTERED STOCKHOLDERS. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.6 Execution of Other Securities. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 7.1), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided*, *however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE 8
DIVIDENDS

8.1 DECLARATION OF DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

8.2 DIVIDEND RESERVE. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE 9
FISCAL YEAR

9.1 FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE 10
INDEMNIFICATION

10.1 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.

(a) Directors and Officers. The Corporation shall indemnify its directors and officers to the fullest extent not prohibited by the DGCL or any other applicable law; provided, however, that the Corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, provided, further, that the Corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d). A director's entitlement to indemnification under this Article 10 includes his or her capacity both as a member of the Board or Directors and as a member of any committee, including the audit committee, of the Board of Directors.

(b) Employees and Other Agents. The Corporation shall have power to indemnify its employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except officers as the Board of Directors shall determine.

(c) Expenses.

(i) The Corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the Corporation or member of a committee of the Board of Directors, or is or was serving at the request of the Corporation as a director or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, or as a limited liability company member or manager, as a partner of a partnership or as trustee of a trust, prior to the final disposition of the proceeding, promptly following request therefore, all expenses incurred by any director or officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an ***"undertaking"***), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a ***"final adjudication"***) that such indemnitee is not entitled to be indemnified for such expenses under this Article 10 or otherwise.

(ii) Notwithstanding the foregoing, unless otherwise determined pursuant to this Article 10, no advance shall be made by the Corporation to an officer of the Corporation (except by reason of the fact that such officer is or was a director of the Corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (1) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (2) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the director or officer. Any right to indemnification or advances granted by this Article 10 to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefore. The claimant in such enforcement action, if

successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the Corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the Corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the Corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the Corporation) for advances, the Corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful.

(e) Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article 10 or otherwise shall be on the Corporation.

(f) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(g) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(h) Insurance. To the fullest extent permitted by the DGCL, or any other applicable law, the Corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw. The Corporation shall promptly notify its directors and officers of any change, lapse or cancellation of such insurance coverage.

(i) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged

occurrence of any action or omission to act that is the cause of any proceeding against any agent of the Corporation.

(j) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law. If this Article 10 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the Corporation shall indemnify each director and officer to the full extent under applicable law.

(k) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the “Corporation” shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving Corporation as he would have with respect to such constituent Corporation if its separate existence had continued.

(iv) References to a “director,” “officer,” “employee,” or “agent” of the Corporation shall include, without limitation, situations where such person is serving at the request of the Corporation as, respectively, a director, officer, employee, trustee or agent of another Corporation, limited liability company, partnership, joint venture, trust or other enterprise, or as a limited liability company member or manager, as a partner of a partnership or as trustee of a trust. References to “director” and “directors” include directors in their capacities as members of the Board of Directors and as members of any committee (including the audit committee) of the Board of Directors.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include

any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Bylaw.

ARTICLE 11
NOTICES

11.1 NOTICES.

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Article 3 Section 3.4 above. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in Article 4 Section 4.7 of these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the Corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if

notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the Corporation within 60 days of having been given notice by the Corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the Corporation.

ARTICLE 12
AMENDMENTS

12.1 AMENDMENTS. Subject to the limitations set forth elsewhere in these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Corporation.

ARTICLE 13
RIGHT OF FIRST REFUSAL

13.1 RIGHT OF FIRST REFUSAL. No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of Common Stock, of the Corporation or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this Bylaw:

(a) If the stockholder desires to sell or otherwise transfer any of his shares of Common Stock, then the stockholder shall first give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(b) For thirty (30) days following receipt of such notice, the Corporation shall have the option to purchase all (but not less than all) of the shares specified in the notice at the price and upon the terms set forth in such notice; *provided, however,* that, with the consent of the stockholder, the Corporation shall have the option to purchase a lesser portion of the shares specified in such notice at the price and upon the terms set forth therein. In the event of a gift, property settlement or other transfer in which the proposed transferee is not paying the full price for the shares, and that is not otherwise exempted from the provisions of this Article 13

Section 13.1, the price shall be deemed to be the fair market value of the Common Stock at such time as determined in good faith by the Board of Directors. In the event the Corporation elects to purchase all of the shares or, with consent of the stockholder, a lesser portion of the shares, it shall give written notice to the transferring stockholder of its election and settlement for such shares shall be made as provided below in paragraph (d).

(c) The Corporation may assign its rights hereunder.

(d) In the event the Corporation and/or its assignee(s) elect to acquire any of the shares of the transferring stockholder as specified in such transferring stockholder's notice, the Secretary of the Corporation shall so notify the transferring stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the Corporation receives such transferring stockholder's notice; provided that if the terms of payment set forth in such transferring stockholder's notice were other than cash against delivery, the Corporation and/or its assignee(s) shall pay for such shares on the same terms and conditions set forth in such transferring stockholder's notice.

(e) In the event the Corporation and/or its assignees(s) do not elect to acquire all of the shares specified in the transferring stockholder's notice, such transferring stockholder may, within the sixty-day period following the expiration of the option rights granted to the Corporation and/or its assignees(s) herein, transfer the shares specified in such transferring stockholder's notice which were not acquired by the Corporation and/or its assignees(s) as specified in such transferring stockholder's notice. All shares so sold by such transferring stockholder shall continue to be subject to the provisions of this Bylaw in the same manner as before such transfer.

(f) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this Bylaw:

(i) A stockholder's transfer of any or all shares held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's immediate family or to any custodian or trustee for the account of such stockholder or such stockholder's immediate family or to any limited partnership of which the stockholder, members of such stockholder's immediate family or any trust for the account of such stockholder or such stockholder's immediate family will be the general of limited partner(s) of such partnership. "Immediate family" as used herein shall mean spouse, lineal descendant, father, mother, brother, or sister of the stockholder making such transfer.

(ii) A stockholder's bona fide pledge or mortgage of any shares with a commercial lending institution, provided that any subsequent transfer of such shares by such institution shall be conducted in the manner set forth in this Bylaw.

(iii) A stockholder's transfer of any or all of such stockholder's shares to the Corporation or to any other stockholder of the Corporation.

(iv) A stockholder's transfer of any or all of such stockholder's shares to a person who, at the time of such transfer, is an officer or director of the Corporation.

(v) A corporate stockholder's transfer of any or all of its shares pursuant to and in accordance with the terms of any merger, consolidation, reclassification of shares or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder.

(vi) A corporate stockholder's transfer of any or all of its shares to any or all of its stockholders.

(vii) A transfer by a stockholder which is a limited or general partnership to any or all of its partners or former partners.

(viii) In any such case, the transferee, assignee, or other recipient shall receive and hold such Common Stock subject to the provisions of this Bylaw, and there shall be no further transfer of such Common Stock except in accord with this Bylaw.

(g) The provisions of this Bylaw may be waived with respect to any transfer either by the Corporation, upon duly authorized action of its Board of Directors, or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation (excluding the votes represented by those shares to be transferred by the transferring stockholder). This Bylaw may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation.

(h) Any sale or transfer, or purported sale or transfer, of Common Stock of the Corporation shall be null and void unless the terms, conditions, and provisions of this Bylaw are strictly observed and followed.

(i) The foregoing right of first refusal shall terminate upon the date securities of the Corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(j) If there is any conflict between the terms, conditions and obligations of this Bylaw and the terms, conditions and obligations of a written agreement between the Corporation and a stockholders, the terms, conditions and obligations of such agreement shall control.

(k) The certificates representing shares of Common Stock of the Corporation shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

ARTICLE 14
LOANS TO OFFICERS

14.1 Loans to Officers. Except as otherwise prohibited by applicable law, the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiaries, including any officer or employee who is a Director of the Corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

CERTIFICATE OF ADOPTION OF BYLAWS

OF

HDL THERAPEUTICS, INC

CERTIFICATE BY SECRETARY

The undersigned hereby certifies that the undersigned is the duly elected and acting Secretary of HDL THERAPEUTICS, INC., and that the foregoing Bylaws were adopted as the Bylaws of the Corporation on February 11, 2008 by the Board of Directors of the Corporation.

Executed this 28th day of April, 2008.

/s/ Roger Newton
Roger Newton

Exhibit 4.2

CONVERTIBLE PROMISSORY NOTE

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITY, FILED AND MADE EFFECTIVE UNDER THE SECURITIES ACT AND SUCH APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE ISSUER RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER TO THE EFFECT THAT REGISTRATION UNDER SUCH ACT AND SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

April 28, 2008 $5,000,000.00

HDL THERAPEUTICS, INC.

HDL THERAPEUTICS, INC., a Delaware corporation (together with its successors and assigns, the "*Issuer*"), for value received hereby promises to pay on the Maturity Date to Pfizer Inc. ("*Noteholder*") and its successors, transferees and assigns, by wire transfer of immediately available funds to an account designated by Noteholder by notice to Issuer the principal sum of Five Million Dollars ($5,000,000.00) or, if less, the aggregate unpaid principal amount outstanding on the Maturity Date (as defined herein), together with interest as provided below (the "*Note Amount*") in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

The Note Amount shall bear interest accruing from the date made to the date this Note shall have been converted or repaid in full at the annual rate of interest equal to 8.931%. All computations of interest payable hereunder shall be on the basis of a 365-day year and actual days elapsed in the period for which such interest is payable. The Issuer shall pay interest on June 30th and December 31st of each year until the Maturity Date by adding such amount of accrued and unpaid interest to the Note Amount which shall thereafter accrue interest.

This Note, in the aggregate principal amount of Five Million Dollars ($5,000,000.00), is being issued pursuant to the Note Purchase Agreement, dated as of April 28, 2008 (the "*Note Purchase Agreement*"), by and between the Issuer and the Noteholder. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Note Purchase Agreement. This Note is transferable or assignable by the Noteholder or any transferee of the Noteholder; *provided*, that such transfer or assignment is made in compliance with the Securities Act, and any applicable state and foreign securities laws. Issuer agrees to issue to Noteholder or any transferee of Noteholder from time to time a replacement note in the form hereof and in such denominations as such Person may request to facilitate such transfers and assignments. In addition, after delivery of an indemnification agreement in form and substance satisfactory to Issuer, Issuer also agrees to issue a replacement note if this Note has been lost, stolen, mutilated or destroyed.

Issuer shall keep at its principal office a register (the "*Register*") in which shall be entered the name and address of the registered holder of this Note and of all transfers of this Note.

1. **Certain Definitions**. The following terms (except as otherwise expressly provided) for all purposes of this Note shall have the respective meanings specified below. The terms defined in this Section 1 include the plural as well as the singular.

"*Bankruptcy Law*" means title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"*Custodian*" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"*Maturity Date*" means April 28, 2018.

"Note" shall refer to this convertible promissory note issued by the Issuer to the Noteholder as of April 28, 2008.

2. **Payment of Principal and Interest**.

(i) **Payment Obligation**. No provision of this Note shall alter or impair the obligations of Issuer, which are absolute and unconditional, to pay the principal of and interest on this Note at the place, times and rate, and in the currency, herein prescribed, subject to the conversion provisions of this Note as provided herein.

(ii) **Prepayment**. The Issuer may prepay the aggregate Note Amount (plus any accrued interest) in full and not in part prior to the Maturity Date. All payments shall be applied first to accrued interest, and thereafter to principal. In the event that Issuer desires to prepay the aggregate Note Amount prior to the second anniversary of the Closing, then Issuer (A) shall give Noteholder not less than thirty (30) days advance written notice of Issuer's intent to so prepay, and (B) shall afford Noteholder an opportunity to exercise its conversion rights at the then applicable Conversion Price Per Share (as defined in Section 7 below), notwithstanding any provision to the contrary in Section 7 that would restrict Noteholder from doing so prior to the second anniversary of the Closing; provided, however, that Buyer shall not be permitted to prepay the aggregate Note Amount in full and Noteholder shall not be permitted to exercise its conversion rights during any Conversion Blackout.

3. **Events of Default and Remedies**. In case an Event of Default shall have occurred and be continuing, all of the remedies for which the Note Purchase Agreement provides shall be available to the Noteholder in accordance therewith.

4. **Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default**. No right or remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Noteholder to exercise any right or power accruing upon any Default or Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or an acquiescence therein; and every power and remedy given by this Note or by law may be exercised from time to time, and as often as shall be deemed expedient, by the Noteholder.

5. **Waiver of Past Defaults**. The Noteholder may, in its sole and absolute discretion and without any obligation, waive any past Default or Event of Default hereunder and its consequences. Any such waiver must be in writing and signed by the Noteholder. In the case of any such waiver, Issuer and the Noteholder shall be restored to their former positions and rights hereunder, respectively; but no such

---

waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Default or Event of Default arising therefrom shall be deemed to have been cured, and not to have occurred for every purpose of the Note; but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

6. **Rights, Subordination.** The Noteholder's rights under the Debt Securities (defined in Section 7 below) will be *pari passu* with the rights of all other creditors of the Issuer. The Debt Securities shall not be made expressly or structurally subordinated to any indebtedness of the Issuer, except in connection with senior credit facilities in an aggregate principal amount of up to $10,000,000 (the indebtedness of such amount being the "*Senior Debt*").

7. **Conversion**. All, but not less than all, of the outstanding principal of the Note, the interest accrued thereon and accrued but unpaid interest (collectively, the "*Debt Securities*") may be, at the election of the Noteholder at any time after the second anniversary of the Closing, converted into fully paid and non-assessable shares of (a) prior to the Initial Public Offering, Series A-1 Preferred Stock of the Issuer, such shares having been authorized and reserved prior to the issuance of this Note, or (b) following the Initial Public Offering, the Common Stock (as applicable, "*Conversion Stock*"). The number of shares of Conversion Stock into which such Debt Securities shall be converted shall be that number as is determined by dividing: (i) the amount of the Note and accrued but unpaid interest by (ii) the Conversion Price Per Share. Fractional shares shall be paid in cash. The *"Conversion Price Per Share"* shall be (A) prior to the Initial Public Offering, the then prevailing purchase price of one share of the Issuer's preferred stock, issued or to be issued to investors in a preferred stock financing of at least Ten Million Dollars ($10,000,000), the primary purpose of which is capital raising (a "*Preferred Financing*"), or (B) following the Initial Public Offering, the closing price per share on the securities exchange or quotation system on which the Common Stock is then traded based on a ten- (10-) day average on the date the Noteholder provides notice of its intent to convert the Debt Securities.

8. **Conversion Limitations.** (a) Prior to the Initial Public Offering, and subject to any Conversion Blackout (as defined below), the Noteholder may convert the Debt Securities only during a Financing Window. A *"Financing Window"* shall mean a period beginning on the date the Issuer provides notice of its intent to conduct a Preferred Financing and sixty (60) days following the closing of such Preferred Financing. The Issuer shall provide such notice not less than fifteen (15) days prior to closing a Preferred Financing. Notwithstanding the foregoing, the Noteholder may not convert the Debt Securities during the period commencing on the receipt of notice from the Issuer of its intention to file a registration statement for an initial public offering within 90 days and ending 180 days following the effective date of such registration statement (a "Conversion Blackout");

(b) Notwithstanding any of the foregoing, if the Noteholder elects to convert the Debt Securities and upon such conversion the Noteholder would own more than fifteen percent (15%) of the then-outstanding fully diluted capitalization of the Issuer, the Noteholder may convert any amount less than all of the Debt Securities up to a maximum amount following which the Noteholder shall own 15% of the then-outstanding fully-diluted capitalization of the Issuer; *provided*, *however*, that at any time Noteholder's ownership is decreased to less than fifteen percent (15%) of the then-outstanding fully diluted capitalization of Buyer as the result of the Buyer's issuance of additional equity, Noteholder shall have the right to convert more of the Debt Securities to the extent necessary to maintain fifteen percent (15%) ownership interest of Issuer.

9. **Lock-Up Provision.** Noteholder shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same

---

economic effect as a sale, any Common Stock (or other securities, including without limitation this Note) of Issuer held by Noteholder, for the period of time specified by the managing underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Issuer filed under the Securities Act in connection with the Initial Public Offering; provided that the officers, directors and other 5% stockholders of the Issuer are similarly bound. Noteholder agrees to execute and deliver such other agreements as may be reasonably requested by Issuer and/or the managing underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Issuer may impose stop-transfer instructions with respect to such Common Stock (or other securities) until the end of such period.

10. **Modification of Note**. This Note may not be modified without the written consent of the Noteholder.

11. **Miscellaneous**. This Note shall be governed by and be construed in accordance with the laws of the State of New York without regard to the conflicts of law rules of such state. Issuer hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, except as specifically provided herein, and assent to extensions of the time of payment, or forbearance or other indulgence without notice. The Section headings herein are for convenience only and shall not affect the construction hereof.

12. **Chapter 903(a) Waiver**. THIS TRANSACTION IS A "COMMERCIAL TRANSACTION" WITHIN THE MEANING OF THE NEW YORK UNIFORM COMMERCIAL CODE, AS AMENDED, AND THE ISSUER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY RIGHT WHICH THE ISSUER MIGHT HAVE TO A NOTICE AND HEARING THEREUNDER OR UNDER ANY OTHER APPLICABLE FEDERAL OR STATE LAW, IN THE EVENT THAT THE NOTEHOLDER (OR ITS SUCCESSORS OR ASSIGNS) SEEKS ANY PREJUDGMENT REMEDY IN CONNECTION WITH THIS NOTE.

* * * * *

IN WITNESS WHEREOF, Issuer has caused this instrument to be duly executed as of the date first set forth above.

HDL THERAPEUTICS, INC.

By: /s/ Roger Newton
Roger Newton
Its Chief Executive Officer

SIGNATURE PAGE TO PFIZER NOTE

THIS WARRANT AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION UNDER SUCH LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

WARRANT TO PURCHASE PREFERRED STOCK

NO. W-[ ] SEPTEMBER 4, 2012

THIS CERTIFIES THAT, for value received, _____, or its assigns (the "***Holder***"), is entitled to subscribe for and purchase from **ESPERION THERAPEUTICS, INC.**, a Delaware corporation (the "***Company***"), the Exercise Shares at the Exercise Price (each as defined below).

This Warrant is being issued as one of a series of warrants pursuant to the terms of the Convertible Note and Warrant Purchase Agreement, dated as of September 4, 2012, by and among the Company and the purchasers therein (the "***Purchase Agreement***"). Capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Purchase Agreement. Unless indicated otherwise, the number and type of shares of capital stock of the Company that Holder may purchase by exercising this Warrant is as follows:

1) In connection with a Qualified Financing (as defined below) where the Notes convert into the New Securities (as defined below) sold in such Qualified Financing, the number of shares of New Securities equal to, (A) **$[20% of the principal amount of the Note]** divided by (b) the lowest per share price of the New Securities sold in the Qualified Financing (the "***New Securities Purchase Price***"); and

2) If a Qualified Financing is not consummated on or before September 4, 2013 or such later date as provided for by the written consent of the Requisite Purchasers (the ***"Maturity Date***"), or a Change of Control (as defined below) is consummated prior to both a Qualified Financing and the Maturity Date, then the number of shares of the Company's Series A Preferred Stock, par value $0.001 per share ("***Series A Preferred Stock***") equal to, (A) **$[20% of the principal amount of the Note]** divided by (B) Series A Original Issue Price (as defined in the Company's Charter), subject to

---

adjustment for stock splits, stock dividends, combinations, recapitalizations and the like (the "***Series A Preferred Purchase Price***").

Notwithstanding the foregoing, if at any time during the Exercise Period the class of Exercise Shares into which this Warrant is exercisable is converted into shares of Common Stock, then, upon the effectiveness of such conversion, this Warrant shall be automatically exercisable for shares of Common Stock based on the conversion rate then in effect for the applicable class of Exercise Shares.

1. DEFINITIONS. As used herein, the following terms shall have the following respective meanings:

(a) "***Change of Control***" shall mean an Acquisition or Asset Transfer (as defined in the Company's Charter).

(b) "***Exercise Period***" shall mean the period commencing on the earliest to occur of (i) the closing of a Qualified Financing, (ii) immediately prior to a Change of Control transaction and (iii) the Maturity Date, and ending five (5) years later, unless sooner terminated as provided below.

(c) "***Exercise Price***" shall mean the New Securities Purchase Price or the Series A Preferred Purchase Price, as applicable, subject to adjustment pursuant to Section 4 below.

(d) "***Exercise Shares***" shall mean the shares of New Securities or Series A Preferred Stock, as applicable, issued upon exercise of this Warrant, subject to adjustment pursuant to the terms herein, including but not limited to adjustment pursuant to Section 4 below.

(e) "***Qualified Financing***" shall mean the sale of a new class of the Company's preferred stock ("***New Securities***") in a single transaction or in a series of related transactions in each case occurring after the date hereof but on or before the Maturity Date, and approved by the Company's Board of Directors and the Requisite Purchasers, in which the Company receives aggregate gross proceeds of at least $10,000,000 (excluding the amounts of any Notes converting in connection therewith) or such other single transaction or series of related transactions as is deemed to be a Qualified Financing by the Requisite Purchasers.

2. EXERCISE OF WARRANT. The rights represented by this Warrant may be exercised in whole or in part at any time during the Exercise Period, by delivery of the following to the Company at its address set forth above (or at such other address as it may designate by notice in writing to the Holder):

(a) An executed Notice of Exercise in the form attached hereto;

(b) Payment of the Exercise Price either (i) in cash or by check, or (ii) by cancellation of indebtedness; and

(c) This Warrant.

Upon the exercise of the rights represented by this Warrant, a certificate or certificates for the Exercise Shares so purchased, registered in the name of the Holder or persons affiliated with the Holder, if the Holder so designates, shall be issued and delivered to the Holder within a reasonable time after the rights represented by this Warrant shall have been so exercised.

The person in whose name any certificate or certificates for Exercise Shares are to be issued upon exercise of this Warrant shall be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and payment of the Exercise Price was made, irrespective of the date of delivery of such certificate or certificates, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open.

2.1 Net Exercise. Notwithstanding any provisions herein to the contrary, if the fair market value of one share of Exercise Shares issuable hereunder is greater than the Exercise Price (at the date of calculation as set forth below), in lieu of exercising this Warrant by payment of cash, the Holder may elect to receive shares equal to the value (as determined below) of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise in which event the Company shall issue to the Holder a number of Exercise Shares computed using the following formula:

$$X = \frac{Y\ (A-B)}{A}$$

Where X = the number of Exercise Shares to be issued to the Holder

Y = the number of Exercise Shares purchasable under the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation)

A = the fair market value of one Exercise Share purchasable under the Warrant (at the date of such calculation)

B = Exercise Price (as adjusted to the date of such calculation)

For purposes of the above calculation, the fair market value of one Exercise Share shall be determined by the Company's Board of Directors in good faith; *provided, however*, that in the event that this Warrant is exercised for Common Stock pursuant to this Section 2.1 in connection with the Company's initial public offering of its Common Stock, the fair market value per share shall be the product of (i) the per share offering price to the public of the Company's initial public offering, and (ii) the number of shares of Common Stock into which each Exercise Share issuable hereunder is convertible at the time of such exercise.

3. COVENANTS OF THE COMPANY.

3.1 Covenants as to Exercise Shares. The Company covenants and agrees that all Exercise Shares that may be issued upon the exercise of the rights represented by this

Warrant will, upon issuance, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times during the Exercise Period and following the earliest of occur of (i) the closing of a Qualified Financing, (ii) the consummation of a Change of Control, and (iii) the Maturity Date, have authorized and reserved, free from preemptive rights, a sufficient number of Exercise Shares to provide for the exercise of the rights represented by this Warrant. If at any time during the Exercise Period and following the earliest of occur of (i) the closing of a Qualified Financing, (ii) the consummation of a Change of Control, and (iii) the Maturity Date, the number of authorized but unissued Exercise Shares shall not be sufficient to permit exercise of this Warrant, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Exercise Shares to such number of shares as shall be sufficient for such purposes.

3.2 No Impairment. Except and to the extent as waived or consented to by the Holder, the Company will not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the exercise rights of the Holder against impairment.

3.3 Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters) or other distribution, the Company shall mail to the Holder, at least ten (10) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

4. ADJUSTMENT OF EXERCISE PRICE. In the event of changes in the outstanding Exercise Shares of the Company by reason of stock dividends, split-ups, recapitalizations, reclassifications, combinations or exchanges of shares, separations, reorganizations, liquidations, or the like, the number and class of shares available under this Warrant in the aggregate and the Exercise Price shall be correspondingly adjusted to give the Holder of the Warrant, on exercise for the same aggregate Exercise Price, the total number, class, and kind of shares as the Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment. The form of this Warrant need not be changed because of any adjustment in the number of Exercise Shares subject to this Warrant.

5. FRACTIONAL SHARES. No fractional shares shall be issued upon the exercise of this Warrant as a consequence of any adjustment pursuant hereto. All Exercise Shares (including fractions) issuable upon exercise of this Warrant may be aggregated for purposes of determining whether the exercise would result in the issuance of any fractional share. If, after aggregation, the exercise would result in the issuance of a fractional share, the Company shall, in lieu of issuance of any fractional share, pay the Holder otherwise entitled to such fraction a sum in cash

equal to the product resulting from multiplying the then current fair market value of an Exercise Share by such fraction.

6. AUTOMATIC EXERCISE. If at any time during the Exercise Period, the Company effects a Change of Control, then this Warrant shall automatically (without any act on the part of the Holder) be exercised pursuant to Section 2.1 effective immediately upon consummation of such Change of Control to the extent such net issue exercise would result in the issuance of Exercise Shares. If this Warrant is automatically exercised, the Company shall notify the Holder of the automatic exercise as soon as reasonably practicable, and the Holder shall surrender the Warrant to the Company in accordance with the terms hereof.

7. NO STOCKHOLDER RIGHTS. This Warrant in and of itself shall not entitle the Holder to any voting rights or other rights as a stockholder of the Company.

8. TRANSFER OF WARRANT. Subject to applicable laws and the restriction on transfer set forth on the first page of this Warrant and the Purchase Agreement, this Warrant and all rights hereunder are transferable, by the Holder in person or by duly authorized attorney, upon delivery of this Warrant and the form of assignment attached hereto to any transferee designated by Holder.

9. LOST, STOLEN, MUTILATED OR DESTROYED WARRANT. If this Warrant is lost, stolen, mutilated or destroyed, the Company may, on such terms as to indemnity or otherwise as it may reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like

denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

10. NOTICES, ETC. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier, or on the first business day after transmission if sent by confirmed facsimile transmission, or four (4) business days after deposit in the United States mail, by registered or certified mail, postage prepaid, addressed (i) if to the Company, as set forth above, and (ii) if to the Holder, at the Holder's address as set forth in Exhibit A to the Purchase Agreement, or at such other address as the Company or Holder may designate by advance written notice. For purposes of this Section 11, a "***business day***" means a weekday on which banks are open for general banking business in New York City, New York.

11. ACCEPTANCE. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

12. AMENDMENT AND WAIVER. Any term of this Warrant may be amended or waived with the written consent of the Company and the Requisite Purchasers as provided in Section 5.02 of the Purchase Agreement; *provided, however,* that any amendment or waivers must apply to all Holders in the same manner. Holder acknowledges that because this Warrant may be amended with the consent of the Requisite Purchasers, Holder's rights hereunder may be amended or waived without Holder's consent. Upon the effectuation of such waiver or

amendment in conformance with this Section 12, the Company shall promptly give written notice thereof to the record Holders of the Warrants who have not previously consented thereto in writing.

13. GOVERNING LAW. This Warrant and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the Delaware General Corporation Law as to matters within the scope thereof, and as to all other matters shall be governed by, and construed in accordance with, the internal laws of the State of Michigan, without reference to principles of conflict of laws or choice of laws.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its duly authorized officer as of the date first above written.

ESPERION THERAPEUTICS, INC.

By: _____
Name: Roger Newton
Title: President and Chief Executive Officer

SIGNATURE PAGE TO
WARRANT TO PURCHASE PREFERRED STOCK

NOTICE OF EXERCISE

1.a. o The undersigned hereby elects to purchase _____ shares of the _____ stock (the "***Securities***") of Esperion Therapeutics, Inc. (the "***Company***") pursuant to the terms of the attached Warrant, and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

1.b o The undersigned hereby elects to purchase _____ shares of the _____ stock of Esperion Therapeutics, Inc. (the "***Company***") pursuant to the terms of the net exercise provisions set forth in Section 2.1 of the attached Warrant, and shall tender payment of all applicable transfer taxes, if any.

2. Please issue a certificate or certificates representing said shares of _____ stock in the name of the undersigned or in such other name as is specified below:

_____
(Name)

_____

_____
(Address)

(3) If this Warrant is exercised in accordance with Section 1.a. above, the undersigned represents that: (a) the undersigned was not organized for the specific purpose of acquiring the Securities; (b) the undersigned has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risks and merits of its investment in the Company and it is able financially to bear the risks thereof; (c) the undersigned has made an investigation of the Company and its business as it deemed necessary and has had an opportunity to discuss and review the Company's business, management and financial affairs with the Company's management as it deemed necessary; (d) the Securities being purchased by the undersigned are being acquired for the undersigned's own account for the purpose of investment and not with a view to the public resale or distribution thereof within the meaning of the Securities Act of 1933, as amended (the "***Securities Act***"); (e) the undersigned understands that (i) the Securities have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Rule 504, 505 or 506 promulgated under the Securities Act, (ii) under the Securities Act and applicable regulations thereunder the Securities may be resold without registration under the Securities Act only in certain limited circumstances, (iii) the certificates evidencing the Securities will bear a legend substantially similar to that set forth below:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS

PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION UNDER SUCH LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ALL APPLICABLE STATE SECURITIES LAWS.

and (iv) the Company will make a notation on its transfer books to such effect; and (f) the undersigned is an "accredited investor" as that term is defined in Rule 501 promulgated under the Securities Act.

(Date)	(Signature)
	(Print name)

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Dated: _____, 20____

Holder's Signature: _____

Holder's Address: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

HDL THERAPEUTICS, INC.

INVESTOR RIGHTS AGREEMENT

HDL THERAPEUTICS, INC.

INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (the "***Agreement***") is entered into as of the 28th day of April 2008, by and among HDL Therapeutics, Inc., a Delaware corporation (the "***Company***") and the investors listed on Exhibit A hereto, referred to hereinafter as the "***Investors***" and each individually as an "***Investor***."

RECITALS

WHEREAS, the Investors are purchasing shares of the Company's Series A Preferred Stock (the "***Series A Stock***") pursuant to that certain Series A Preferred Stock Purchase Agreement (the "***Purchase Agreement***") of even date herewith; (the "***Financing***");

WHEREAS, the obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement; and

WHEREAS, in connection with the consummation of the Financing, the parties desire to enter into this Agreement in order to grant registration, information rights and other rights to the Investors as set forth below.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

(b) ***"Form S-3"*** means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(c) ***"Holder"*** means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.9 hereof.

(d) ***"Initial Offering"*** means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(e) ***"Major Investor"*** shall refer to any Investor (with its affiliates) that owns not less than one million (1,000,000) shares of Series A Preferred Stock (as adjusted for stock splits and combinations).

(f) ***"Qualified IPO"*** means an Initial Offering at a per share price not less than three dollars ($3.00) per share, as adjusted for any stock dividends, combinations, splits, recapitalizations and the like after the date hereof) and with gross proceeds of not less than forty million dollars ($40,000,000) before deduction of underwriters' commissions and expenses.

(g) ***"Register," "registered,"*** and ***"registration"*** refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(h) ***"Registrable Securities"*** means (a) Common Stock of the Company issuable or issued upon conversion of the Shares and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(i) ***"Registrable Securities then outstanding"*** shall be the number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(j) ***"Registration Expenses"*** shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, reasonable fees and disbursements not to exceed thirty thousand dollars ($30,000) of a single special counsel for the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(k) ***"SEC"*** or ***"Commission"*** means the Securities and Exchange Commission.

(l) ***"Securities Act"*** shall mean the Securities Act of 1933, as amended.

(m) ***"Selling Expenses"*** shall mean all underwriting discounts and selling commissions applicable to the sale.

(n) ***"Shares"*** shall mean the Company's Series A Preferred Stock issued pursuant to the Purchase Agreement held from time to time by the Investors listed on Exhibit A hereto and their permitted assigns.

(o) ***"Special Registration Statement"*** shall mean (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or

transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER.

2.1 Restrictions on Transfer.

(a) Each Holder agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) (A) The transferee has agreed in writing to be bound by the terms of this Agreement, (B) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and (C) if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Securities Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144, except in unusual circumstances. After its Initial Offering, the Company will not require any transferee pursuant to Rule 144 to be bound by the terms of this Agreement if the shares so transferred do not remain Registrable Securities hereunder following such transfer.

(b) Notwithstanding the provisions of subsection (a) above, no such restriction shall apply to a transfer by a Holder that is (A) a partnership transferring to its partners or former partners in accordance with partnership interests, (B) a corporation transferring to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (C) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, (D) an individual transferring to the Holder's family member or trust for the benefit of an individual Holder, or (E) an affiliated partnership or fund of an Investor managed by it or any of its respective directors, officers or partners; *provided* that in each case the transferee will agree in writing to be subject to the terms of this Agreement to the same extent as if he were an original Holder hereunder.

(c) Each certificate representing Shares or Registrable Securities shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "***ACT***") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR UNLESS THE COMPANY HAS

> RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.
>
> THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN INVESTOR RIGHTS AGREEMENT BY AND BETWEEN THE STOCKHOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(d) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its Initial Offering and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, *provided that* the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder.

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders holding a majority of the Registrable Securities (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of at least a majority of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of underwriting discounts and commissions, would exceed $10,000,000, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, use its best efforts to effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such

underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); *provided*, *however*, that the number of shares of Registrable Securities to be included in such

underwriting and registration shall not be reduced unless no other party other than the Company and the Holders are included in the underwriting and registration. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) the fourth anniversary of the date of this Agreement or (B) of the expiration of the restrictions on transfer set forth in Section 2.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to the Initial Offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for a public offering, other than pursuant to a Special Registration Statement within ninety (90) days;

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2 a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more once in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement of which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders hereunder on a pari passu basis with each of the holders of Series A-1 Preferred Stock meeting the definition of "Holder" (each a "***Series A-1 Holder***") set forth in that certain Registration Rights and Securityholder Agreement by and between the Company and Pfizer, Inc. (the "***Securityholder Agreement***"), on a *pro rata* basis based on the total number of Registrable Securities held by such Holder hereunder or the total number of "Registrable Securities" (as defined in the Securityholder Agreement) (the "***Series A-1 Registrable Securities***") held by such Series A-1 Holder, as applicable; and third, to any stockholder of the Company (other than a Holder or a Series A-1 Holder) on a *pro rata* basis; provided, however, that no such reduction shall reduce the amount of securities of the selling Holders and Series A-1 Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, other

than the Series A-1 Registrable Securities included pursuant to Section 2.2(a) of the Securityholder Agreement, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event will shares of any other selling stockholder, other than the Series A-1 Registrable Securities included pursuant to Section 2.2(a) of the Securityholder Agreement, be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars ($1,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement;

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period, or

(v) if the Company has**,** within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 2.4 shall not be counted as demands for registration or registrations effected pursuant to Section 2.2.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(5), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the

holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c) or 2.4(b)(5), as applicable, to undertake any subsequent registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to thirty (30) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. No more than one (1) such Suspension Periods shall occur in any twelve (12) month period. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other

documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or Section 2.4 if the number of shares or the anticipated

aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the

following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a "***Holder Violation***"), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially determined that there was such a Holder Violation; *provided, however,* that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 2.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a

written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things,

whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided, that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 2.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

2.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by a Holder to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that (a) is a general partner, limited partner, retired partner, member or retired member, of a Holder that is a partnership or limited liability company, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) acquires at least one million (1,000,000) shares of Registrable Securities (as adjusted for stock splits and combinations); *provided, however,* (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree to be subject to all restrictions set forth in this Agreement.

2.10 Limitation on Subsequent Registration Rights. Other than as provided in Section 5.9, after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder rights to demand the registration of shares of the Company's capital stock, or to include such shares in a registration statement that would reduce the number of shares includable by the Holders; provided, however, that the Holders acknowledge that certain Registration Rights and Securityholder Agreement, by and between the Company and Pfizer, Inc., of even date herewith.

2.11 "Market Stand-Off" Agreement. Each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) during the 180-day period following the effective date of the Initial Offering (or such longer period, not to exceed 34 days after the expiration of the 180-day period, as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation), provided, that, all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this Section 2.11 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in

the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

2.12 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the Holder's obligations under Section 2.11 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.11 and this Section 2.12 shall not apply to a Special Registration Statement. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said day period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.11 and 2.12. The underwriters of the Company's stock are intended third party beneficiaries of Sections 2.11 and 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, Section 2.3, or Section 2.4 hereof shall terminate upon the earlier of: (i) the date three (3) years following an initial public offering that results in the conversion of all outstanding shares of Preferred Stock; or (ii) such time as such Holder, as reflected on the Company's list of stockholders, holds less than 1% of the Company's

outstanding Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the

Shares held by and issuable to such Holder (and its affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period. Upon such termination, such shares shall cease to be "Registrable Securities" hereunder for all purposes.

SECTION 3. COVENANTS OF THE COMPANY.

3.1 Basic Financial Information and Reporting.

(a) The Company will maintain true books and records of account in which full and correct entries will be made of all its business transactions pursuant to a system of accounting established and administered in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), and will set aside on its books all such proper accruals and reserves as shall be required under generally accepted accounting principles consistently applied.

(b) To the extent requested by an Investor, as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, the Company will furnish such Investor a balance sheet of the Company, as at the end of such fiscal year, and a statement of income and a statement of cash flows of the Company, for such year, all prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof) and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail. Such financial statements shall be accompanied by a report and opinion thereon by independent public accountants selected by the Company's Board of Directors.

(c) To the extent requested by a Major Investor, the Company will furnish such Major Investor, as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a balance sheet of the Company as of the end of each such quarterly period, and a statement of income and a statement of cash flows of the Company for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied (except as noted therein or as disclosed to the recipients thereof), with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

(d) The Company will furnish each such Major Investor to the extent requested by such Major Investor: (i) at least thirty (30) days prior to the beginning of each fiscal year an annual budget and operating plans for such fiscal year (and as soon as available, any subsequent written revisions thereto); and (ii) as soon as practicable after the end of each month, a balance sheet of the Company as of the end of each such month, and a statement of income and a statement of cash flows of the Company for such month and for the current fiscal year to date, including a comparison to plan figures for such period, prepared in accordance with generally accepted accounting principles consistently applied (except as noted thereon), with the exception that no notes need be attached to such statements and year-end audit adjustments may not have been made.

3.2 Inspection Rights. Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however,* that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which the Board of Directors determines in good faith is confidential or attorney-client privileged and should not, therefore, be disclosed.

3.3 Confidentiality of Records. Each Investor agrees to use the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to such Investor pursuant to Section 3.1 and 3.2 hereof that the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information (i) to any partner, subsidiary or parent of such Investor as long as such partner, subsidiary or parent is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions; (ii) at such time as it enters the public domain through no fault of such Investor; (iii) that is communicated to it free of any obligation of confidentiality; (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company; or (v) as required by applicable law.

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all Common Stock issuable from time to time upon such conversion.

3.5 Stock Vesting. Unless otherwise approved by the Board of Directors, all stock options and other stock equivalents issued after the date of this Agreement to employees, and other service providers shall be subject to vesting as follows: (a) twenty-five percent (25%) of such stock shall vest at the end of the first year following the earlier of the date of issuance or such person's services commencement date with the company, and (b) seventy-five percent (75%) of such stock shall vest over the remaining three (3) years. In the event that the Company permits any employees or other service providers to exercise unvested shares of such stock options or other stock equivalents, the Company shall obtain a repurchase option with respect to such shares which repurchase option shall provide that upon termination of the employment or services of such employee or other service provider, the Company or its assignees (to the extent permissible under applicable securities laws) may repurchase such shares at the lesser of cost or fair market value of such shares.

3.6 Insurance. The Company has or will obtain promptly following the date hereof general commercial, product liability, fire and casualty insurance policies with coverage customary for companies similarly situated to the Company. The Company will use its best efforts to obtain within sixty (60) days following the First Closing (as defined in the Purchase Agreement) and maintain in full force and effect director and officer liability insurance in a customary amount for similarly situated companies.

3.7 Visitation Rights. The Company shall allow each of the Arboretum Ventures II, L.P., Alta Partners VIII, L.P., Aisling Capital II, L.P., and Domain Partners VII, L.P. to have one

representative attend all meetings of the Company's Board of Directors in a nonvoting capacity, and in connection therewith, the Company shall give such representative copies of all notices, minutes, consents and other materials, financial or otherwise, which the Company provides to its Board of Directors; provided, however, that the Company reserves the right to exclude such representative from access to any material or meeting or portion thereof if the Company believes upon advice of counsel that such exclusion is reasonably necessary to preserve the attorney-client privilege, to protect highly confidential information or for other similar reasons.

3.8 Proprietary Information and Inventions Agreement. The Company shall require all employees and consultants to execute and deliver a Proprietary Information and Inventions Agreement substantially in a form approved by the Company's counsel or Board of Directors.

3.9 Directors' Liability and Indemnification. The Company's Amended and Restated Certificate of Incorporation and Bylaws shall provide (a) for elimination of the liability of director to the maximum extent permitted by law and (b) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. In addition, the Company shall enter into and use its best efforts to at all times maintain indemnification agreements in a form approved by the Company Board of Directors with each of its directors to indemnify such directors to the maximum extent permissible under applicable law.

3.10 Qualified Small Business. The Company will use reasonable efforts to comply with the reporting and recordkeeping requirements of Section 1202 of the Internal Revenue Code of 1986, as amended (the "***Code***"), any regulations promulgated thereunder and any similar state laws and regulations and agrees not to repurchase any stock of the Company if such repurchase would cause the Shares not to so qualify as "Qualified Small Business Stock," so long as the Company's Board of Directors determines that it is in the best interests of and not unduly burdensome to the Company to comply with the provisions of Section 1202 of the Code.

3.11 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement (other than the provisions of Section 3.3, 3.6 and 3.9) shall expire and terminate as to each Investor upon the earlier of (i) the effective date of the registration statement pertaining to an Initial Offering that results in the Preferred Stock being converted into Common Stock or (ii) upon an "***Acquisition***" as defined in the Company's Certificate of Incorporation as in effect as of the date hereof.

3.12 Reimbursement of Costs. The Company shall reimburse all reasonable out-of pocket costs incurred by non-employee directors in attending Board of Directors meetings and other meetings or events on behalf of the Company or at the Company's request.

3.13 Director Compensation. The Company shall provide each non-employee director with the same compensation for their service on the Board of Directors as that provided to any other non-employee director.

SECTION 4. RIGHTS OF FIRST REFUSAL.

4.1 Subsequent Offerings. Subject to applicable securities laws, each Major Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities,

as defined below, that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.7 hereof. Each Major Investor's *pro rata* share is equal to the ratio of (a) the number of shares of the Company's Common Stock (including all shares of Common Stock issuable or issued upon conversion of the Shares or upon the exercise of outstanding warrants or options) of which such Major Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (b) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the Shares and the conversion of the Series A-1 Preferred Stock then outstanding or upon the exercise of any outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "***Equity Securities***" shall mean (i) any Common Stock, Preferred Stock or other security of the Company, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock or other security (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other security or (iv) any such warrant or right.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major Investor written notice of its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major Investor shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major Investor who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

4.3 Issuance of Equity Securities to Other Persons. If not all of the Major Investors elect to purchase their *pro rata* share of the Equity Securities, then the Company shall promptly notify in writing the Major Investors who do so elect and shall offer such Major Investors the right to acquire such unsubscribed shares on a *pro rata* basis. The Major Investors shall have five (5) days after receipt of such notice to notify the Company of its election to purchase all or a portion thereof of the unsubscribed shares. The Company shall have ninety (90) days thereafter to sell the Equity Securities in respect of which the Major Investor's rights were not exercised, at a price not lower and upon general terms and conditions not materially more favorable to the purchasers thereof than specified in the Company's notice to the Major Investors pursuant to Section 4.2 hereof. If the Company has not sold such Equity Securities within ninety (90) days of the notice provided pursuant to Section 4.2, the Company shall not thereafter issue or sell any Equity Securities, without first offering such securities to the Major Investors in the manner provided above.

4.4 Sale Without Notice. In lieu of giving notice to the Major Investors prior to the issuance of Equity Securities as provided in Section 4.2, the Company may elect to give notice to the Major Investors within thirty (30) days after the issuance of Equity Securities. Such notice shall describe the type, price and terms of the Equity Securities. Each Major Investor shall have twenty (20) days from the date of receipt of such notice to elect to purchase up to the number of shares that would, if purchased by such Major Investor, maintain such Major Investor's *pro rata*

share (as set forth in Section 4.1) of the Company's equity securities after giving effect to all such purchases. The closing of such sale shall occur within sixty (60) days of the date of notice to the Major Investors.

4.5 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the effective date of the registration statement pertaining to the Company's Initial Offering. Notwithstanding Section 5.5 hereof, the rights of first refusal established by this Section 4 may be amended, or any provision waived with and only with the written consent of the Company and the Major Investors holding a majority of the Registrable Securities held by all Major Investors, or as permitted by Section 5.5.

4.6 Assignment of Rights of First Refusal. The rights of first refusal of each Major Investor under this Section 4 may be assigned to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.9.

4.7 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) up to an aggregate of two million three hundred thousand (2,300,000) shares, plus up to an additional one million two hundred thousand (1,200,000) shares pursuant to Section 7.3 of the Purchase Agreement, of Common Stock and/or options, warrants or other Common Stock purchase rights for such amount of shares (the **"Option Rights"**) and the Common Stock issued pursuant to such Option Rights (in each case, as adjusted for any stock dividends, combinations, splits, recapitalizations and the like after the date hereof) issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors; *provided, however,* that at any given

point in time, such amount shall be increased to reflect any shares of Common Stock (i) not issued pursuant to the Option Rights ("***Unexercised Options***") as a result of the termination or cancellation of such Unexercised Options or (ii) reacquired by the Company from employees, officers, directors or consultants at cost (or the lesser of cost or fair market value) pursuant to agreements which permit the Company to repurchase such shares upon termination of services to the Company;

(b) any Equity Securities issued or issuable pursuant to the exercise of any convertible securities outstanding as of the date of this Agreement; and any Equity Securities issued pursuant to any such convertible securities granted after the date of this Agreement, so long as the rights of first refusal established by this Section 4 were complied with, waived, or were inapplicable pursuant to any provision of this Section 4.7 with respect to the initial sale or grant by the Company of such rights or agreements;

(c) any Equity Securities issued in connection with the Second Closing, Third Closing, Additional Closing or Optional Fourth Tranche Closing (as each term is defined in the Purchase Agreement);

(d) any Equity Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors;

(e) any Equity Securities issued in connection with any stock split, stock dividend or recapitalization by the Company;

(f) any Equity Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial or lending institution approved by the Board of Directors;

(g) any Equity Securities issued pursuant to a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale of Common Stock for the account of the Company;

(h) any Equity Securities issued in connection with strategic transactions involving the Company and other entities, including, without limitation (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board of Directors provided that such transaction is not substantially for equity financing purposes; and

(i) any Equity Securities issued pursuant to that certain Convertible Promissory Note issued to Pfizer, Inc. pursuant to that certain Note Purchase Agreement of even date herewith.

SECTION 5. MISCELLANEOUS.

5.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to conflicts of laws or principles thereof.

5.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

5.3 Entire Agreement. This Agreement, the Exhibits and Schedules hereto, the Purchase Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each

party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

5.4 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.5 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders under this Agreement may be waived, only upon the written consent of the Company and the holders of at least majority of the then-outstanding Registrable Securities; *provided, however*, that any amendment, modification or waiver that materially adversely treats any Holder in a manner that is different from other Holders, then such amendment, modification or waiver shall not be effective without the consent of such Holder.

(b) For the purposes of determining the number of Holders or Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

5.6 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

5.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or Exhibit A hereto or at such other address or electronic mail address as such party may designate by ten (10) days advance written notice to the other parties hereto.

5.8 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

5.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company shall issue additional shares of its Preferred Stock pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock shall become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder. Notwithstanding anything to the contrary contained herein, if the Company shall issue Equity Securities in accordance with Section 4.7 (c), (e) or (i) of this Agreement, any purchaser of such Equity Securities may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement and shall be deemed an "***Investor***," a "***Holder***" and a party hereunder.

5.10 Counterparts. This Agreement may be executed in any number of counterparts and by facsimile or PDF signature, each of which shall be an original, but all of which together shall constitute one instrument.

5.11 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

5.12 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

5.13 Termination. This Agreement shall terminate and be of no further force or effect upon the earlier of (i) an Acquisition; or (ii) the date three (3) years following the Closing of the Initial Offering that results in the conversion of all outstanding shares of Preferred Stock.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **INVESTOR RIGHTS AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

HDL THERAPEUTICS, INC.

By: /s/ Roger Newton
Roger Newton
Its President and Chief Executive Officer

INVESTORS:

ALTA PARTNERS VIII, LP

By: Alta Partners Management VIII, LLC
Its: General Partner

By: /s/ Hilary Strain
Hilary Strain, Chief Financial Officer

SIGNATURE PAGE
INVESTOR RIGHTS AGREEMENT

INVESTORS:

AISLING CAPITAL II, L.P.

By: /s/ Dennis Purcell

Print Name: Dennis Purcell

Title: Senior Managing Director

SIGNATURE PAGE
INVESTOR RIGHTS AGREEMENT

INVESTORS:

DOMAIN PARTNERS VII, L.P.
By: One Palmer Square Associates VII, L.L.C.,
its General Partner

By: /s/ Kathleen Schoemaker
Kathleen Schoemaker,
Managing Member

DP VII ASSOCIATES, L.P.
By: One Palmer Square Associates VII, L.L.C.
its General Partner

By: /s/ Kathleen Schoemaker
Kathleen Schoemaker,
Managing Member

SIGNATURE PAGE
INVESTOR RIGHTS AGREEMENT

INVESTORS:

ARBORETUM VENTURES II, L.P.

By: Arboretum Investment Manager II, LLC
Its: General Partner

By: /s/ Timothy Petersen

Name: Timothy Petersen
Its: Managing Director

ARBORETUM VENTURES IIA, L.P.

By: Arboretum Investment Manager IIa, LLC
Its: General Partner

By: Arboretum Investment Manager II, LLC
Its: Manager

By: /s/ Timothy Petersen

Name: Timothy Petersen
Its: Managing Director

SIGNATURE PAGE
INVESTOR RIGHTS AGREEMENT

INVESTORS:

ROGER NEWTON

/s/ Roger Newton

SIGNATURE PAGE
INVESTOR RIGHTS AGREEMENT

SCHEDULE OF INVESTORS

Alta Partners VIII, LP

Aisling Capital II, L.P.

Domain Associates VII, L.P.

DP VII Associates, L.P.

Arboretum Ventures II, LP

Arboretum Ventures IIa, L.P.

Roger Newton

Exhibit 4.5

Execution Version

AMENDMENT NO. 1 TO
INVESTOR RIGHTS AGREEMENT

This Amendment No. 1 to Investor Rights Agreement (this "***Amendment***") is made as of April 11, 2013, by and among Esperion Therapeutics, Inc., a Delaware corporation (the "***Company***"), those certain Key Holders of the Company's Common Stock listed on the signature pages hereto (the "***Key Holders***") and the Investors listed on the signature pages hereto (the "***Investors***").

Background

Reference is hereby made to that certain Investor Rights Agreement, dated as of April 28, 2008, by and among the company and the Investors listed on Exhibit A thereto (the "***Investor Rights Agreement***"). Capitalized terms used by not defined herein shall have the meanings set forth in the Investor Rights Agreement.

Section 5.5 of the Investor Rights Agreement provides, in relevant part, that any provision of the Investor Rights Agreement may be amended or modified (or provisions of the Investor Rights Agreement waived) only upon the written consent of the Company and the holders of a majority of Registrable Securities.

Certain of the Company's existing Investors, together with entities affiliated with Longitude Capital Partners, LLC (together with its affiliates, "***Longitude Capital***"), will be purchasing shares of the Company's Series A Stock pursuant to a Series A Preferred Stock Purchase Agreement, dated as of the date hereof (the "***2013 Purchase Agreement***").

As a condition to the issuance of the Series A Stock pursuant to the 2013 Purchase Agreement, the Company, the Investors and the Key Holders have agreed to amend the Investor Rights Agreement as set forth below.

The Company and the undersigned holders of Registrable Securities, constituting the voting thresholds necessary to amend the Investor Rights Agreement, desire to amend the Investor Rights Agreement as set forth below.

Agreement

In consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the undersigned, for themselves and on behalf of the other parties to the Investor Rights Agreement, hereby agree as follows:

1. That Section 2.11 of the Investor Rights Agreement is amended and restated in its entirety, such that Section 2.11 of the Investor Rights Agreement shall read as follows:

"**Market Stand-Off" Agreement.** Each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those

---

included in the registration) during the 180-day period following the effective date of the Initial Offering, provided, that, all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this Section 2.11 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future."

2. That Section 3.12 of the Investor Rights Agreement is amended and restated in its entirety, such that Section 3.12 of the Investor Rights Agreement shall read as follows:

"**Reimbursement of Costs.** The Company shall reimburse all reasonable out-of pocket costs incurred by non-employee directors and observers in attending Board of Directors meetings and other meetings or events on behalf of the Company or at the Company's request."

3. That immediately following Section 3.13 of the Investor Rights Agreement, a new Section 3.14 shall be inserted, which shall read as follows:

"**Observer Rights**. As long as (i) Longitude Capital owns not less than 250,000 shares of Series A Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof and (ii) Arboretum Ventures II, L.P. and Arboretum Ventures IIA, L.P. (together with Arboretum Ventures II, L.P., "Arboretum Ventures") hold an aggregate of not less than 250,000 shares of Series A Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, the Company shall invite one representative from each of Longitude Capital and Arboretum Ventures to attend all meetings of its Board of Directors, including executive sessions thereof, in a nonvoting observer capacity and, in this respect, shall give such representatives copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representatives shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representatives from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a competitor of the Company."

4. Except as expressly set forth herein, (i) nothing contained herein shall be deemed to constitute an amendment, modification or waiver, express or implied, of any term or provision of the Investor Rights Agreement and (ii) the Investor Rights Agreement is and shall remain in full force and effect in accordance with its terms.

5. This Amendment shall be governed by and construed under the laws of the State of Delaware as such laws are applied to agreements among Delaware residents entered into and performed entirely within the State of Delaware, with reference to the conflict of laws provisions thereof.

---

6. This Amendment may be executed in one or more counterparts, and by facsimile or PDF signature, each of which will be deemed an original, but all of which together shall constitute one instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

COMPANY:

ESPERION THERAPEUTICS, INC.

By: /s/Timothy Mayleben
Name: Timothy Mayleben
Title: President and Chief Executive Officer

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

ALTA PARTNERS VIII, LP
By: Alta Partners Management VIII, LLC
Its: General Partner

By: /s/Hillary Strain
Name: Hillary Strain
Title: Chief Financial Officer

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

AISLING CAPITAL II, L.P.

By: /s/Lloyd Appel
Name: Lloyd Appel
Title: CFO

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

DOMAIN PARTNERS VII, L.P.
By: One Palmer Square Associates VII, L.L.C.
Its: General Partner

By: /s/Kathleen K. Schoemaker
Name: Kathleen K. Schoemaker
Title: Managing Member

DV VII ASSOCIATES, L.P.
By: One Palmer Square Associates VII, L.L.C.
Its: General Partner

By: /s/Kathleen K. Schoemaker
Name: Kathleen K. Schoemaker
Title: Managing Member

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

ARBORETUM VENTURES II, L.P.
By: Arboretum Investment Manager II, LLC
Its: General Partner

By: /s/Jan Garfinkle
Name: Jan Garfinkle

Title: Managing Director

ARBORETUM VENTURES IIA, L.P.
By: Arboretum Investment Manager IIa, LLC
Its: General Partner

By: Arboretum Investment Manager II, LLC
Its: Manager

By: /s/Jan Garfinkle
Name: Jan Garfinkle
Title: Managing Director

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

/s/Roger Newton
Roger Newton

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

INVESTOR:

ASSET MANAGEMENT COMPANY VENTURE FUND LP

By: Asset Management Ventures GP, LLC
Its: Managing Member

By: /s/David G. Fleshman
Name: David G. Fleshman
Title: Managing Member

[Signature Page to Amendment No. 1 to Investor Rights Agreement]

Exhibit 4.6

EXECUTION COPY

HDL THERAPEUTICS, INC.

REGISTRATION RIGHTS AND SECURITYHOLDER AGREEMENT

HDL THERAPEUTICS, INC.

REGISTRATION RIGHTS AND SECURITYHOLDER AGREEMENT

THIS REGISTRATION RIGHTS AND SECURITYHOLDER AGREEMENT (the "***Agreement***") is entered into as of the 28th day of April 2008, by and between HDL Therapeutics, Inc., a Delaware corporation (the "***Company***") and Pfizer, Inc., referred to hereinafter as "***Investor***."

RECITALS

WHEREAS, the Company has issued to Investor a Convertible Promissory Note (the "***Note***") which Note is convertible into shares of Series A-1 Preferred Stock ("***Series A-1 Preferred***"), pursuant to that certain Note Purchase Agreement, of even date herewith (the "***Note Agreement***"); and

WHEREAS, in connection with the closing of the Note Agreement, the parties desire to enter into this Agreement in order to grant registration, information rights and other rights to the Investor as set forth below.

NOW, THEREFORE, in consideration of these premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. GENERAL.

1.1 Definitions. As used in this Agreement the following terms shall have the following respective meanings:

(a) ***"Affiliate"*** shall have the meaning prescribed in Rule 12b-2 promulgated under the Exchange Act.

(b) "***Charter***" means the Amended and Restated Certificate of Incorporation of the Company, as amended from time to time.

(c) ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

(d) ***"Form S-3"*** means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(e) ***"Holder"*** means any person or entity owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 2.9 hereof.

(f) ***"Initial Offering"*** means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(g) ***"Major A-1 Investor"*** shall refer to Investor or any permitted transferee of Investor that owns at least twenty five percent (25%) of the Series A-1 Preferred.

(h) ***"Qualified IPO"*** means an Initial Offering with gross proceeds of not less than twenty five million dollars ($25,000,000) before deduction of underwriters' commissions and expenses.

(i) ***"Register," "registered,"*** and ***"registration"*** refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) ***"Registrable Securities"*** means (a) Common Stock of the Company issuable or issued upon conversion of the Shares and (b) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned.

(k) ***"Registrable Securities then outstanding"*** shall be the number of shares of the Company's Common Stock that are Registrable Securities and either (a) are then issued and outstanding or (b) are issuable pursuant to then exercisable or convertible securities.

(l) ***"Registration Expenses"*** shall mean all expenses incurred by the Company in complying with Sections 2.2, 2.3 and 2.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(m) ***"SEC"*** or ***"Commission"*** means the Securities and Exchange Commission.

(n) ***"Securities Act"*** shall mean the Securities Act of 1933, as amended.

(o) ***"Selling Expenses"*** shall mean all underwriting discounts and selling commissions applicable to the sale.

(p) ***"Shares"*** shall mean the Company's Series A-1 Preferred held by Investor and its permitted assigns issuable upon exercise of the Note.

(q) ***"Special Registration Statement"*** shall mean (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction or (iii) a registration related to stock issued upon conversion of debt securities.

SECTION 2. REGISTRATION; RESTRICTIONS ON TRANSFER.

2.1 Restrictions on Transfer.

(a) Investor agrees not to make any disposition of all or any portion of the Shares or Registrable Securities unless and until:

(i) following the Initial Offering, there is then in effect a registration statement under the Securities Act covering such proposed disposition with respect to the Shares or Registrable Securities and such disposition is made in accordance with such registration statement; or if no registration statement is then in effect, Investor provides to the Company an opinion of counsel that such disposition does not violate any applicable state or federal securities laws, provided, that the Company will not require such opinion of counsel if such disposition is made in compliance with Rule 144; or

(ii) (A) such disposition is made to a transferee that is an Affiliate of Investor, (B) such transferee has agreed in writing to be bound by the terms of this Agreement and the Voting Agreement (as defined below), (C) Investor shall have provided at least thirty (30) days prior written notice to the Company of the proposed disposition, and (D) such disposition is made in compliance with applicable state and federal securities laws.

For the avoidance of doubt, a "disposition" shall not include the conversion of the Note in accordance with its terms or the conversion of the Shares in accordance with Section 5 of Part IV. C. of the Charter.

(b) Each certificate representing Shares or Registrable Securities shall be stamped or otherwise imprinted with legends substantially similar to the following (in addition to any legend required under applicable state securities laws):

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT WITH RESPECT TO THE SECURITY, FILED AND MADE EFFECTIVE UNDER THE SECURITIES ACT AND SUCH APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE ISSUER RECEIVES AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER TO THE EFFECT THAT REGISTRATION UNDER SUCH ACT AND SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.
>
> THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN REGISTRATION RIGHTS AND SECURITY-HOLDER AGREEMENT BY AND BETWEEN THE

> STOCKHOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY.

(c) The Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its Initial Offering and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, *provided that* the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder.

(d) Any permitted transferee of Investor's Series A-1 Preferred hereunder shall be bound by the obligations of that certain Voting Agreement by and among the Company and the parties listed on Exhibits A and B thereto, of even date herewith with respect to such shares of Series A-1 Preferred (the "***Voting Agreement***").

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

2.2 Demand Registration.

(a) Subject to the conditions of this Section 2.2, if the Company shall receive a written request from the Holders holding a majority of the Registrable Securities (the "***Initiating Holders***") that the Company file a registration statement under the Securities Act covering the registration of at least a majority of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of underwriting discounts and commissions, would exceed $10,000,000, then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 2.2, use its best efforts to effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.2 or any request pursuant to Section 2.4 and the Company shall include such information in the written notice referred to in Section 2.2(a) or Section 2.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 2.2 or

---

Section 2.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); *provided, however*, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless no other party other than the Company and the Holders are included in the underwriting and registration. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 2.2:

(i) prior to the earlier of (A) the fourth anniversary of the date of this Agreement or (B) of the expiration of the restrictions on transfer set forth in Section 2.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 2.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to the Initial Offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 2.2(a), the Company gives notice to the Holders of the Company's intention to file within ninety (90) days a registration statement for a public offering, other than pursuant to a Special Registration Statement;

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.2 a certificate signed by the Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more once in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

2.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If the registration statement of which the Company gives notice under this Section 2.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 2.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders hereunder on a pari passu basis with each of the holders of Series A Preferred Stock meeting the definition of "Holder" (each a "***Series A Holder***") set forth in that certain Investor Rights Agreement by and among the Company and the investors listed on Exhibit A thereto (the "***Investor Rights Agreement***"), on a *pro rata* basis based on the total number of Registrable Securities held by such Holder hereunder or the total number of "Registrable Securities" (as defined in the Investor Rights Agreement) (the "***Series A Registrable Securities***") held by such Series A Holder, as applicable; and third, to any stockholder of the Company (other than a Holder or a Series A Holder) on a *pro rata* basis; provided, however, that no such reduction shall reduce the amount of securities of the selling Holders and Series A Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event will shares of any other selling stockholder, be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such

---

underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.5 hereof.

2.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than two million dollars ($2,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 2.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement;

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment

---

of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than one hundred twenty (120) days after receipt of the request of the Holder or Holders under this Section 2.4; *provided*, that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period, or

(v) if the Company has**,** within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 2.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders.

2.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.2, 2.3 or 2.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 2.2 or 2.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c)(ii) or 2.4(b)(v), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 2.2(c)(ii) or 2.4(b)(v), as applicable, to undertake any subsequent registration.

2.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to thirty (30) days or, if

---

earlier, until the Holder or Holders have completed the distribution related thereto; provided, however, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. No more than one (1) such Suspension Periods shall occur in any twelve (12) month period. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

2.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 2.2, 2.3 or 2.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 2.2 or 2.4 if the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 2.2 or Section 2.4, whichever is applicable.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.2, 2.3 or 2.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may

---

become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "***Violation***") by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a "***Holder Violation***"), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action if it is judicially

---

determined that there was such a Holder Violation; *provided*, *however,* that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 2.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission

to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, *that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 2.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 2.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not

---

include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

2.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned by Investor to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that is an Affiliate of Investor; *provided*, *however*, that (a) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (b) such transferee has agreed in writing to be bound by the terms of this Agreement.

2.10 "Market Stand-Off" Agreement. Each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) (i) during the 180-day period following the effective date of the Initial Offering (or such longer period, not to exceed thirty-four (34) days after the expiration of the 180-day period, as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation), provided, that, with respect to (i) and (ii) above, all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this Section 2.10 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future.

2.11 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the Holder's obligations under Section 2.10 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in Section 2.10 and this Section 2.11 shall not apply to a Special Registration Statement. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said day period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 2.10 and 2.11. The underwriters of the Company's stock are intended third party beneficiaries of Sections 2.10 and 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

2.12 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.2, 2.3 or 2.4 hereof shall terminate upon the earlier of: (i) the date three (3) years following an initial public offering that results in the conversion of all outstanding shares of Series A-1 Preferred; or (ii) such time as such Holder, as reflected on the Company's list of stockholders, holds less than 1% of the Company's outstanding Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the Shares held by and issuable to such Holder (and its Affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period, or (iii) an Acquisition. Upon such termination, such shares shall cease to be "Registrable Securities" hereunder for all purposes.

SECTION 3. COVENANTS OF THE COMPANY.

3.1 Basic Financial Information and Reporting.

(a) The Company will keep proper books of record and account, in which entries which are complete and correct in all material respects shall be made of all material dealings and transactions of or in relation to the properties and business thereof, and which will permit the production of financial statements in accordance with GAAP consistently applied.

(b) The Company will furnish to each Major A-1 Investor, as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter or as otherwise determined by the Board of Directors, an audited balance sheet as of the end of such year, and statements of income, changes in stockholders' equity and cash flows for such year, for the Company and its subsidiaries, setting forth, in the case of each financial statement, in comparative form, the audited financial statement for the immediately preceding fiscal year, all in reasonable detail, prepared in accordance with GAAP consistently applied. Such financials shall be accompanied by an opinion thereon of independent certified public accountants of recognized regional standing selected by the Company, which opinion shall state that such financial statements present fairly, in all material respects, the

---

financial position of the Company or its subsidiaries, as applicable, and its results of operations and cash flows and have been prepared in conformity with GAAP consistently applied, and that the examination of such accountants in connection with such financial statements has been made in accordance with GAAP consistently applied, and that such audit provides a reasonable basis for such opinion in the circumstances.

(c) The Company will furnish each Major A-1 Investor, as soon as practicable after the end of each fiscal quarter of the Company, and in any event within sixty (60) days thereafter, an unaudited balance sheet as of the end of such fiscal quarter; and statements of income and cash flows (and any other statements requested by the Board of Directors) for such fiscal quarter and for the portion of such fiscal year ending with such fiscal quarter, for the Company and its subsidiaries, set forth in a manner and with a level of detail and any certifications requested by the Board of Directors.

3.2 Inspection Rights. Each Major A-1 Investor shall have the right to visit and inspect any of the properties of the Company or any of its subsidiaries, and to discuss the affairs, finances and accounts of the Company or any of its subsidiaries with its officers, and to review such information as is reasonably requested all at such reasonable times and as often as may be reasonably requested; *provided, however,* that the Company shall not be obligated under this Section 3.2 with respect to a competitor of the Company or with respect to information which is deemed confidential as unanimously determined by the Board of Directors or subject to the attorney-client privilege; and, *provided*, *further*, that each Major A-1 Investor may exercise such visitation, inspection, discussion and informational rights no more than twice each calendar year during the term of this Agreement.

3.3 Confidentiality of Records. Each Investor agrees to use the same degree of care as such Investor uses to protect its own confidential information to keep confidential any information furnished to such Investor pursuant to Section 3.1 and 3.2 hereof that the Company identifies as being confidential or proprietary (so long as such information is not in the public domain), except that such Investor may disclose such proprietary or confidential information (i) to any partner, subsidiary or parent of such Investor as long as such partner, subsidiary or parent is advised of and agrees or has agreed to be bound by the confidentiality provisions of this Section 3.3 or comparable restrictions; (ii) at such time as it enters the public domain through no fault of such Investor; (iii) that is communicated to it free of any obligation of confidentiality; (iv) that is developed by Investor or its agents independently of and without reference to any confidential information communicated by the Company; or (v) as required by applicable law. Nothing herein shall alter, modify or change any of Investor's obligations of confidentiality and non-use to the Company set forth in the Note Agreement and/or that certain Stock Purchase Agreement, by and between the Company and Pfizer, Inc., of even date herewith (the "***Purchase Agreement***").

3.4 Reservation of Common Stock. The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Series A-1 Preferred, all Common Stock issuable from time to time upon such conversion.

3.5 Termination of Covenants. All covenants of the Company contained in Section 3 of this Agreement (other than the provisions of Section 3.3) shall expire and terminate as to

---

each Investor upon the earlier of (i) the effective date of the registration statement pertaining to an Initial Offering that results in the Preferred Stock being converted into Common Stock, (ii) upon an "***Acquisition***" as defined in the Company's Amended and Restated Certificate of Incorporation as in effect as of the date hereof, or (iii) a liquidation, winding up, dissolution or deemed liquidation of the Company.

SECTION 4. RIGHTS OF FIRST REFUSAL.

4.1 Subsequent Offerings.

(a) Subject to applicable securities laws, each Major A-1 Investor shall have a right of first refusal to purchase its *pro rata* share of all Equity Securities, as defined in this subsection (a), that the Company may, from time to time, propose to sell and issue after the date of this Agreement, other than the Equity Securities excluded by Section 4.6 hereof. For purposes of this subsection (a), each Major A-1 Investor's *pro rata* share is equal to the ratio of (i) the number of shares of the Company's Common Stock (including all shares of Common Stock issuable or issued upon conversion of the Shares or upon the exercise of outstanding warrants or options) of which such Major A-1 Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (ii) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the Shares and the conversion of the shares of Series A Preferred Stock then outstanding or upon the exercise of any outstanding warrants or options) immediately prior to the issuance of the Equity Securities. The term "***Equity Securities***" shall mean (1) any Common Stock, Preferred Stock or other equity security of the Company, (2) any security convertible into or exercisable or exchangeable for, with or without consideration, any Common Stock, Preferred Stock or other equity security (including any option to purchase such a convertible security), (3) any security carrying any warrant or right to subscribe to or purchase any Common Stock, Preferred Stock or other equity security or (4) any such warrant or right.

(b) Subject to applicable securities laws, in the event that the Shares are converted into Common Stock by the vote of the requisite number of holders of Series A Preferred Stock and Series A-1 Preferred Stock pursuant to Section 5(k)(i) of the Charter, each Major A-1 Investor (each a "***Conversion Investor***") shall have a right of first refusal to purchase, during the period beginning on the date of such conversion and continuing until ninety (90) days following such date of conversion, its *pro rata* share of all Equity Securities that the Company may, from time to time, propose to sell and issue, other than the Equity Securities excluded by Section 4.6 hereof. For purposes of this subsection (b), each Conversion Investor's *pro rata* share is equal to the ratio of (i) the number of shares of the Company's Common Stock (including all shares of Common Stock issuable or issued upon the exercise of outstanding warrants or options) of which such Conversion Investor is deemed to be a holder immediately prior to the issuance of such Equity Securities to (ii) the total number of shares of the Company's outstanding Common Stock (including all shares of Common Stock issued or issuable upon conversion of the shares of any outstanding preferred stock or upon the exercise of any outstanding warrants or options) immediately prior to the issuance of the Equity Securities.

4.2 Exercise of Rights. If the Company proposes to issue any Equity Securities, it shall give each Major A-1 Investor or Conversion Investor, as the case may be, written notice of

---

its intention, describing the Equity Securities, the price and the terms and conditions upon which the Company proposes to issue the same. Each Major A-1 Investor or Conversion Investor, as the case may be, shall have fifteen (15) days from the giving of such notice to agree to purchase its *pro rata* share of the Equity Securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the quantity of Equity Securities to be purchased. Notwithstanding the foregoing, the Company shall not be required to offer or sell such Equity Securities to any Major A-1 Investor or Conversion Investor, as the case may be, who would cause the Company to be in violation of applicable federal securities laws by virtue of such offer or sale.

4.3 Sale Without Notice. In lieu of giving notice to the Major A-1 Investors or Conversion Investor, as the case may be, prior to the issuance of Equity Securities as provided in Section 4.2, the Company may elect to give notice to the Major A-1 Investors or Conversion Investor, as the case may be, within thirty (30) days after the issuance of Equity Securities. Such notice shall describe the type, price and terms of the Equity Securities. Each Major A-1 Investor or Conversion Investor, as the case may be, shall have twenty (20) days from the date of receipt of such notice to elect to purchase up to the number of shares that would, if purchased by such Major A-1 Investor or Conversion Investor, as the case may be, maintain such Major A-1 Investor's or Conversion Investor's, as the case may be, *pro rata* share (as set forth in Section 4.1(a) or (b) as the case may be) of the Company's equity securities after giving effect to all such purchases. The closing of such sale shall occur within sixty (60) days of the date of notice to the Major A-1 Investors or Conversion Investor, as the case may be.

4.4 Termination and Waiver of Rights of First Refusal. The rights of first refusal established by this Section 4 shall not apply to, and shall terminate upon the earlier of (i) an Acquisition, or (ii) the effective date of the registration statement pertaining to the Company's Qualified IPO. Notwithstanding Section 5.5 hereof, the rights of first refusal established by this Section 4 may be amended, or any provision waived with and only with the written consent of the Company and the Major A-1

Investors or Conversion Investor, as the case may be, holding a majority of the Registrable Securities held by all Major A-1 Investors or Conversion Investor, as the case may be, or as permitted by Section 5.5.

4.5 Assignment of Rights of First Refusal. The rights of first refusal of each Major A-1 Investor or Conversion Investor, as the case may be, under this Section 4 may be assigned to the same parties, subject to the same restrictions as any transfer of registration rights pursuant to Section 2.9.

4.6 Excluded Securities. The rights of first refusal established by this Section 4 shall have no application to any of the following Equity Securities:

(a) shares of Common Stock and/or options, warrants or other Common Stock purchase rights and the Common Stock issued pursuant to such options, warrants or other rights issued or to be issued after the date hereof to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary, pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors;

(b) any Equity Securities issued or issuable pursuant to the exercise of any convertible securities outstanding as of the date of this Agreement; and any Equity Securities issued pursuant to any such convertible securities granted after the date of this Agreement, so long as the rights of first refusal established by this Section 4 were complied with, waived, or were inapplicable pursuant to any provision of this Section 4.6 with respect to the initial sale or grant by the Company of such rights or agreements;

(c) any Equity Securities issued in connection with the First Closing, Second Closing, Third Closing, Optional Fourth Tranche Closing or Additional Closing (as each term is defined in the Purchase Agreement);

(d) any Equity Securities issued pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors;

(e) any Equity Securities issued in connection with any stock split, stock dividend or recapitalization by the Company;

(f) any Equity Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement, or debt financing from a bank or similar financial or lending institution approved by the Board of Directors;

(g) any Equity Securities issued pursuant to a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale of Common Stock for the account of the Company; and

(h) any Equity Securities issued in connection with strategic transactions involving the Company and other entities, including, without limitation (i) joint ventures, manufacturing, marketing or distribution arrangements or (ii) technology transfer or development arrangements; *provided* that the issuance of shares therein has been approved by the Company's Board of Directors.

SECTION 5. MISCELLANEOUS.

5.1 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware in all respects as such laws are applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without reference to conflicts of laws or principles thereof.

5.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns, heirs, executors, and administrators and shall inure to the benefit of and be enforceable by each person who shall be a holder of Registrable Securities from time to time; *provided, however*, that prior to the receipt by the Company of adequate written notice of the transfer of any Registrable Securities specifying the full name and address of the transferee, the Company may deem and treat the person listed as the holder of such shares in its records as the absolute owner and holder of such shares for all purposes, including the payment of dividends or any redemption price.

5.3 Entire Agreement. This Agreement and the Note Agreement and the other documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and no party shall be liable or bound to any other in any manner by any oral or written representations, warranties, covenants and agreements except as specifically set forth herein and therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

5.4 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.5 Amendment and Waiver.

(a) Except as otherwise expressly provided, this Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders under this Agreement may be waived, only upon the written consent of the Company and the holders of at least majority of the then-outstanding Registrable Securities.

(b) For the purposes of determining the number of Holders or Major A-1 Investors entitled to vote or exercise any rights hereunder, the Company shall be entitled to rely solely on the list of record holders of its stock as maintained by or on behalf of the Company.

5.6 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under the Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

5.7 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address as set forth on the signature pages hereof or at such other address or electronic mail address as such party may designate by ten (10) days advance written notice to the other parties hereto.

5.8 Attorneys' Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

5.9 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

5.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

5.11 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons or persons or entities under common management or control shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

5.12 Pronouns. All pronouns contained herein, and any variations thereof, shall be deemed to refer to the masculine, feminine or neutral, singular or plural, as to the identity of the parties hereto may require.

5.13 Termination. This Agreement shall terminate and be of no further force or effect upon the happening of the last event described in Sections 2.13, 3.5 and 4.4.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this **REGISTRATION RIGHTS AND SECURITYHOLDER AGREEMENT** as of the date set forth in the first paragraph hereof.

COMPANY:

HDL THERAPEUTICS, INC.

By: /s/ Roger Newton
Roger Newton

Title: President and Chief Executive Officer
President and Chief Executive Officer

INVESTOR:

PFIZER, INC.

By: /s/ Pfizer Representative

HDL THERAPEUTICS, INC.
2008 INCENTIVE STOCK OPTION AND RESTRICTED STOCK PLAN

1. Purpose. HDL THERAPEUTICS, INC. (the "Company") hereby adopts the HDL THERAPEUTICS, INC. 2008 INCENTIVE STOCK OPTION AND RESTRICTED STOCK PLAN (the "Plan") for the purposes of attracting and retaining employees of the Company or any Affiliate (as hereinafter defined) of the Company ("Employees"), non-Employee members of the Company's Board of Directors (the "Directors"), and non-Employee and non-Director consultants and advisors (collectively, "Outsiders"; together with Employees and Directors, "Participants") of superior ability, encouraging ownership by selected Participants of common stock of the Company (the "Common Stock"), and providing an additional incentive to Participants to promote the success of the Company and its Affiliates.

2. Plan Committee. This Plan shall be administered by the Board of Directors of the Company or by such committee of the Board of Directors of the Company as such Board may hereafter designate from time to time for such purpose. The Board of Directors or any such committee of the Board of Directors of the Company delegated the authority to administer this Plan shall be hereinafter referred to as the "Committee." The Committee shall satisfy such criteria as are then necessary in order to facilitate exemption of compensation paid pursuant to this Plan from the tax deduction limits imposed by Section 162 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, in the event the Committee is not the entire Board of Directors of the Company or if the Company has a class of securities required to be registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), all members of the Committee shall be "Non-Employee Directors", as such term is defined in Rule 16b-3 of the Exchange Act; *provided, however,* that the Board of Directors or the Committee may, to the extent that it deems necessary to comply with Code Section 162(m) or regulations thereunder, require that each "Non-Employee Director" also be an "outside director" as that term is defined in regulations under Code Section 162(m).

3. Plan Eligibility. The Committee may grant options pursuant to the section entitled "OPTIONS" under this Plan (each an "Option") or restricted stock pursuant to the section entitled "RESTRICTED STOCK" under this Plan (each a "Restricted Stock Grant") only (a) to Employees of the Company or an Affiliate whose services are provided to the Company or an Affiliate at least 30 hours per week, (b) Directors who are not Employees, and (c) Outsiders having a written consulting or advisory agreement in effect with the Company (each of the foregoing, without distinction among them, an "Optionee"); provided, however, that no Director proposed to receive an Option or Restricted Stock Grant shall participate in any vote of the Committee with respect to the grant thereof. A non-Employee or non-Director consultant shall not be eligible for the grant of an Option or Restricted Stock Grant if, at the time of grant, either the offer or the

---

sale of the Company's securities to such consultant is not exempt under Rule 701 ("Rule 701") of the Securities Act of 1933, as amended (the "Securities Act") because of the nature of the services that the consultant is providing to the Company, because the consultant is not a natural person, or because of any other provision of Rule 701, unless the Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the Securities Act as well as comply with the securities laws of all other relevant jurisdictions.

4. Shares Subject to Plan. The aggregate number of shares of Common Stock of the Company that may be issued pursuant to Options or Restricted Stock Grants shall not exceed 2,300,000 shares of Common Stock (the "Shares"). For clarity, the limitation in this Section 4 is a limitation in the number of shares of Common Stock that may be issued pursuant to the Plan. Such number, however, shall be subject to appropriate increase or decrease in the event of any future stock dividend or other recapitalization of the Common Stock of the Company. In the event of a lapse of any Option or forfeiture of Common Stock under the terms of a Restricted Stock Grant, the shares of Common Stock not purchased under that lapsed Option or forfeited under such Restricted Stock Grant shall again be available for grant under a new Option or Restricted Stock Grant. Any shares reacquired by the Company as consideration for the exercise of an Option shall again become available for issuance under the Plan. If an Option or Restricted Stock Grant (a) expires or otherwise terminates without having been exercised in full or (b) is settled in cash *(i.e.*, the holder of such Option or Restricted Stock Grant receives cash rather than stock), such expiration, termination or settlement shall not reduce (or otherwise offset) the number of shares of Common Stock that may be issued pursuant to the Plan. Notwithstanding the provisions of this Section 4, any such shares shall not be subsequently issued pursuant to the exercise of Qualified Options.

OPTIONS

5. Grant of Options. The Committee may, from time to time, grant Options to Optionees by means of the form of option grant which is attached as Exhibit A to this Plan or pursuant to any other instrument that references and incorporates this Plan and modifies, as permitted hereby, default provisions of this Plan (each an "Option Grant"). An Option Grant shall not be valid unless signed by an authorized officer of the Company and acknowledged by the Optionee.

6. Nature of Options. Options shall either (a) meet the requirements of Code Section 422 ("Qualified Options"), or (b) not meet such requirements ("Non-Qualified Options"). The Committee may only grant Qualified Options to Employees who meet the requirements of Code Section 3401(c). At the time of the grant of an Option, the Committee shall specify whether the Option is a Qualified Option or a Non-Qualified Option and shall designate it as such in the Option Grant relating thereto. If for any reason an Option or any portion thereof intended to be a Qualified Option does not

---

qualify as such under Code Section 422, either at the time of grant or at any time thereafter, such failure to qualify shall not invalidate the Option (or such portion), and instead such Option (or portion thereof) shall be deemed to have been granted as an Non-Qualified Option, notwithstanding the fact that the same had been designated as a Qualified Option in the Option Grant. If an Option is not specifically designated as a Qualified Option, then the option shall be a Non-Qualified Option.

7. Time of Option. Each Option Grant and exercise of Options under this Plan shall be subject to the following:

7.1 *Time of Grant.* The Committee may grant Options under this Plan from the date of adoption of this Plan by the Board of Directors of the Company (the "Adoption Date"), to and including (but not after) 10 years after such date.

7.2 *Vesting.* Each Option granted under this Plan shall be exercisable, in whole or in part, from and after the date specified in the Option Grant. The Committee shall determine and specify in each Option Grant the vesting requirements relating thereto, with vesting to occur only upon either satisfaction of specific performance criteria or the completion of specified periods of continued employment with, or service to, the Company; provided, however, that in the event an Option Grant shall fail to specify a vesting schedule, the related Option shall be deemed vested as to 25% of the number of shares of Common Stock subject thereto on the first anniversary of the date of the Option Grant, with the remainder vesting in equal amounts on the first day of each of the following 36 calendar months.

7.3 *Expiration.* Unless otherwise stated in an Option Grant, each Option granted under this Plan shall automatically expire 10 years after the date of grant; provided, however, that any Qualified Option granted to any Employee who, at the time of the grant of the Option, owns (individually or through members of his/her family) more than 10% of the Common Stock of the Company (each an "Insider") shall expire no more than 5 years after the date of grant.

7.4 *Limitation on Exercise.* No exercise of rights under an Option shall be permitted prior to the vesting date of those rights. No exercise of rights under an Option shall be permitted following the expiration of that Option or, if applicable, the forfeiture of the rights under that Option pursuant to Section 11 hereof.

7.5 *Non-Exempt Employees*. No Option granted to an Employee that is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable for any shares of Common Stock until at least six (6) months following the date of grant of the Option. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay.

8. Shares Subject to Option. Options granted may be for any number of shares of Common Stock, as determined by the Committee, subject to the limitation that the number of Shares for which an exercise of a Qualified Option for the first time in any calendar year shall not have an aggregate Fair Market Value (as hereinafter defined), determined at the time of the issuance of the Option Grant, in excess of $100,000.

9. Option Price/Payment Terms. The price and payment terms applicable to any purchase of Common Stock under an Option shall be as follows:

9.1 *Price*. The price for each share of Common Stock purchased upon exercise of any Option (the "Exercise Price") shall be determined as follows:

9.1.1 The Exercise Price under a Qualified Option shall be not less than 100% of the Fair Market Value of the Common Stock at the time of issuance of the Option; provided, however, that if an Option is granted to an Employee who, at the time of the grant of the Option is also an Insider, then the Exercise Price shall be not less than 110% of the Fair Market Value of the Common Stock at the time of issuance of the Option.

9.1.2 The Exercise Price for each share of Common Stock to be purchased under a Non-Qualified Option shall be determined by the Committee at the time of grant and set forth in the Option Grant; provided, however, the Exercise Price for a Non-Qualified Option shall not be less than 100% of the Fair Market Value of the Common Stock at the time of issuance of the Option. Notwithstanding the foregoing, an Option may be granted with an exercise price lower than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option if such Option is granted pursuant to an assumption or substitution for another option in a manner consistent with the provisions of Section 424(a) of the Code (whether or not such options are Qualified Options).

9.1.3 For purposes of this Plan, the per share "Fair Market Value" of the Common Stock shall be (a) the closing sale price for a share of the Common Stock reported (i) on any national exchange on which the Company is listed, or (ii) the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") as of the date upon which the Company grants an Option, provided the Common Stock is authorized for quotation as a NASDAQ National Market System Security for such date (or, if no sale is so reported for such date, for the latest preceding date on which such a sale was so reported), or (b) if the Common Stock is not so listed or authorized for quotation, the price determined by the reasonable application of a reasonable valuation method as described in Treasury Regulation Section 1.409A-1(b)(5)(iv)(B) at the time of the grant of each Option. In the event of any stock dividend or other recapitalization of the Common Stock following the date of the grant of an Option, the Exercise Price and number of shares of Common Stock subject to an Option shall be proportionately adjusted to reflect the stock dividend or other recapitalization and the aggregate Exercise

Price of the Option shall not be less than the aggregate Exercise Price of the Option before the stock dividend or other recapitalization.

9.2 *Payment Terms*. In general, an Optionee shall pay the Company by cash, check, bank draft or money order payable to the Company the Exercise Price in full at the time of delivery of the Notice of Exercise. However, the Committee, in its discretion, may at the time of the issuance of the Option Grant or at any time thereafter, agree to (a) permit an Optionee to pay the Exercise Price in one or more deferred installments, upon such terms as the Committee deems advisable; *provided, however,* that interest shall compound at least annually and shall be charged at the minimum rate of interest necessary to avoid (i) the imputation of interest income to the Company and compensation income to the Optionee under any applicable provisions of the Code, and (ii) the classification of the Option as a liability for financial accounting purposes, (b) declare and pay bonuses to Employees to fund part or all of the Exercise Price, or (c) to the extent that the value of the Common Stock issuable upon the exercise of an Option is greater than the aggregate Exercise Price, allow the Optionee to use a portion thereof to pay such aggregate Exercise Price.

10. Exercise of Options. Optionees may exercise Options at any time prior to the expiration date specified in the related Option Grant by delivering a notice in the form attached hereto as Exhibit B (the "Notice of Exercise"), together with tender of the payment of the aggregate Exercise Price for the Common Stock subject to that Notice of Exercise. If financing is provided by the Company for such purchase, then such tender shall include an executed promissory note for the financed portion of the Exercise Price. An Optionee may exercise an Option in whole or in part.

11. Forfeiture of Options. Options shall be subject to forfeiture under the following circumstances:

11.1 *Forfeiture of Employee Options.* If an Employee ceases to be employed by the Company while any Option remains outstanding, the unvested rights under that Option shall automatically expire as of the effective date of the termination of employment and the vested rights under that Option shall expire as follows:

11.1.1 If the termination of employment was due to the death or disability of the Employee, then the vested rights under the Option shall expire at the earlier of the expiration date stated in the Option Grant or 1 year after the effective date of termination of employment.

11.1.2 If the termination of employment was due to the resignation of the Employee, then the vested rights under the Option shall expire at midnight on the 90th day after the effective date of termination of employment.

11.1.3 If the termination of employment was due to the termination of the Employee by the Company for reasons other than the "gross misconduct" of the Employee, then the vested rights under the Option will expire at midnight on the 90th day after the effective date of termination.

11.1.4 If the termination of employment was due to the termination of the Employee by the Company as a result of the "gross misconduct" of the Employee, then the vested rights under the Option will expire immediately upon the effective date of termination of employment.

For purposes of this Plan, "gross misconduct" of an Employee shall include and be limited to (a) fraud, embezzlement, theft or similar dishonest conduct on the part of the Employee in the course of employment with the Company, (b) conviction of the Employee of a crime which, in the reasonable determination of the Board of Directors of the Company, materially and adversely affects the business, prospects and/or reputation of the Company, (c) violation by an Employee of any agreement with, or any policy or procedure of the Company, or (d) willful misuse or improper disclosure by the Employee of proprietary information of the Company. The determination of the Board of Directors of the Company as to "gross misconduct" for purposes of this Plan shall be final and shall not be subject to challenge or appeal.

11.2 *Forfeiture of Non-Employee Director and Outsider Options.* If a non-Employee Director or an Outsider's Continuous Service (as defined below) to the Company terminates while any Option remains outstanding, the unvested rights under that Option shall automatically expire as of the effective date of termination of Continuous Service and the vested rights under that Option shall expire as follows:

11.2.1 If a non-Employee Director or an Outsider's Continuous Service to the Company terminates by reason of death or disability, then the vested rights under any Non-Qualified Option issued to such Director or Outsider shall expire at the earlier of the expiration date stated in the Option Grant or one (1) year after the effective date of such termination.

11.2.2 If a non-Employee Director's or Outsider's Continuous Service to the Company terminates by reason of the breach by the non-Employee Director or Outsider of any of such Director's or Outsider's obligations to the Company or its shareholders, then all outstanding Non-Qualified Options held by such Director or Outsider shall automatically be canceled.

11.2.3 Termination of a non-Employee Director's or Outsider's Continuous Service to the Company for any other reason shall cause the vested rights on any Non-Qualified Options issued to such Director or Outsider to expire on midnight on

the 90th day after the effective date of termination unless the Committee shall, in its discretion, allow for a longer period following such termination for exercise of such Director's or Outsider's Options not to exceed the earlier of the expiration date stated in the Option Grant or 10 years from the date of the Option Grant.

For purposes of this Plan, "Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Outsider, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director, or Outsider or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service; *provided, however,* if the entity for which a Participant is rendering service ceases to qualify as an Affiliate, as determined by the Committee in its sole discretion, such Participant's Continuous Service shall be considered to have terminated on the date such entity ceases to qualify as an Affiliate. For example, a change in status from an employee of the Company to a consultant of an Affiliate or to a Director shall not constitute an interruption of Continuous Service. To the extent permitted by law, the Committee or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in an Option or Restricted Stock Grant only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

12. Changes in Control and Other Extraordinary Transactions.

12.1 *Certain Definitions.* As used in this Section, the following terms shall have the meanings set forth below:

12.1.1 "Affiliate" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Committee shall have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

12.1.2 "Cash-Out Amount" means, with respect to any Cash Transaction and any Option, an amount in cash equal to the difference between (a) the amount of cash to be paid to holders of the Company's Common Stock for each share exchanged or surrendered in the transaction, multiplied by the number of shares of Common Stock for which such Option is exercisable or as accelerated by the Board of Directors, and (b) the exercise price for such shares under such Option.

12.1.3 "Cash Transaction" means a merger or other transaction in which holders of the Common Stock receive a cash payment for each share exchanged or surrendered in such merger or other transaction.

12.1.4 "Cause" means (a) if the Optionee is an employee, "gross misconduct" as defined in Section 11.1.4 hereof, or (b) if the Optionee is not an Employee, willful misconduct by the Optionee or willful failure to perform his or her responsibilities in the best interests of the Company or any acquiring or succeeding entity (including, without limitation, breach by the Optionee of any provision of any consulting, employment, nondisclosure, non-competition or other agreement between the Optionee and the Company or such entity), as determined by the Board of Directors of the Company or the board of directors or equivalent managerial body of such acquiring or succeeding entity, which determination shall be final and not subject to challenge or appeal.

12.1.5 "Change in Control" means (a) any merger or consolidation of the Company with or into another entity, other than a merger or consolidation in which the shareholders of the Company immediately before the transaction will own immediately thereafter, directly or indirectly, securities having a majority in ordinary voting power of the outstanding securities of the surviving or resulting entity, and (b) any sale by the Company of all or substantially all of its assets, other than a sale of assets in which the shareholders of the Company immediately before the transaction will own immediately thereafter, directly or indirectly, securities having a majority in ordinary voting power of the outstanding securities of the acquiror of the Company's assets.

12.1.6 "Extraordinary Transaction" means (a) any merger or consolidation of the Company with or into another entity, (b) any sale by the Company of all or substantially all of its assets, or (c) any sale or other transfer of shares of stock by one or more shareholders of the Company as a result of which any one transferee, together with the transferee's Affiliates, will become the owner of a majority in ordinary voting power of the Company's outstanding stock.

12.1.7 "Publicly Traded" means, with respect to any securities of a kind acquirable upon exercise of an Option, that there are shares of such class of securities that are traded on or through a national securities exchange or the National Association of Securities Dealers Automated Quotation System or any similar public securities market.

12.1.8 "Service" means, with respect to any Optionee, such Optionee's service as an employee, officer or director of, or consultant or advisor to, the Company or any acquiring or succeeding corporation or entity, as the case may be.

12.1.9 "Unvested Shares" means, with respect to any Option at any time, any shares that are not then acquirable upon exercise of such Option but that will become acquirable at a future date if the Optionee continues to provide Service to the

Company through that date. Unvested Shares do not include any shares that will become exercisable only if specified performance targets are met.

12.2 *Extraordinary Transactions in General*. In the event of an Extraordinary Transaction in which all or substantially all of the outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or entity, the Board of Directors of the Company, or any corporation or entity assuming the obligations of the Company, shall take any one or a combination of the following actions as to all outstanding Options (and need not take the same action as to each such Option):

12.2.1 provide that such Options shall be assumed, or equivalent Options shall be substituted, by the acquiring or succeeding corporation or business entity (or an affiliate thereof), so long as (a) the assumption or substitution of a Qualified Option satisfies the requirements of Treasury Regulation Section 1.424-1, and (b) the assumption or substitution of a Non-Qualified Option satisfies the requirements of Treasury Regulation 1.409A-1(b)(5)(v)(D):

12.2.2 in the event of a Cash Transaction, make or provide for a cash payment of the Cash-Out Amount upon exercise of such Option, in lieu of the shares of Common Stock (or other securities) which the Optionee otherwise would be entitled to receive upon exercise of such Option;

12.2.3 provide for net or "cashless" exercise of Options based upon the difference between the value of Common Stock in the Extraordinary Transaction and the Exercise Price of such Option; or

12.2.4 upon written notice to the Optionee, provide that all unexercised Options that are then exercisable or would become exercisable by virtue of such Extraordinary Transaction will terminate prior to or upon the consummation of the transaction and may only be exercised by the Optionee within a specified period following the date of such notice.

In the event of an Extraordinary Transaction in which some but less than substantially all of the outstanding shares of Common Stock are exchanged for securities, cash or other property of any other corporation or entity, the Board of Directors of the Company, or the corporation or entity assuming the obligations of the Company, may in its discretion, take any one or a combination of the actions set forth in Sections 12.2.1, 12.2.2 and 12.2.3.

12.3 *Election to Cash-Out Options Upon Certain Changes in Control*. Notwithstanding the foregoing, in the event an Option will terminate if not exercised prior to the effective time of an Extraordinary Transaction, the Board of Directors may provide, in its sole discretion, that the Optionee need not exercise such Option to receive a payment, in lieu of such exercise and in such form as may be determined by the Board of Directors, equal in value to the excess, if any, of (a) the value of the property the

Optionee would have received upon the exercise of the Option, over (b) any exercise price payable by such holder in connection with such exercise.

12.4 *Certain Exceptions*. Notwithstanding anything herein to the contrary, the Board of Directors by majority vote may provide in any Option Grant that any or all of the preceding provisions of this Section 12 shall not apply to the Options granted under that Agreement.

12.5 *Substitute Options*. The Company may grant Options in substitution for Options held by employees of another corporation who become employees of the Company, or a subsidiary of the Company, as the result of a merger or consolidation of the employing corporation with the Company or a subsidiary of the Company, or as a result of the acquisition by the Company, or one of its subsidiaries, of property or stock of the employing corporation. The substitution of a Qualified Option shall satisfy the requirements of Treasury Regulation Section 1.424-1. The substitution of a Non-Qualified Option shall satisfy the requirements of Treasury Regulation 1.409A-1(b)(5)(v)(D).

12.6 *Options Held by Persons other than Current Participants*. Except as otherwise stated in the Option Grant, in the event of a Extraordinary Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Options or substitute similar options for such outstanding Options, then with respect to Options that have not been assumed, continued or substituted and that are held by persons other than current Participants, the vesting of such Options (and, if applicable, the time at which such Option may be exercised) shall not be accelerated and such Options shall terminate if not exercised (if applicable) prior to the effective time of the Extraordinary Transaction; *provided, however,* that any reacquisition or repurchase rights held by the Company with respect to such Options shall not terminate and may continue to be exercised notwithstanding the Extraordinary Transaction.

13. Option is Discretionary. The grant by the Committee of any Option is entirely discretionary and nothing in this Plan shall be deemed to give any employee of the Company or any other person any right to participate in this Plan or to receive Options. Except as provided in Sections 11 and 12 hereof, the exercise of any Option granted under this Plan is entirely discretionary with the Optionee and nothing in this Plan shall be deemed to require any Optionee to exercise any Option.

14. Restrictions on Transfers.

14.1 *Restriction on Transfer of Options*.

14.1.1 The rights of an Optionee under an Option shall not be transferable or assignable by that Optionee other than by will or by laws of descent upon

death. During the lifetime of the Optionee, the Option shall be exercisable only by that Optionee; *provided, however,* that the Board of Directors may, in its sole discretion, permit transfer of the Option to such extent as permitted by Rule 701 of the Securities Act at the time of the grant of the Option and in a manner consistent with applicable tax and securities laws upon the Optionee's request.

14.1.2 Notwithstanding the foregoing, an Option may be transferred pursuant to a domestic relations order, *provided, however,* that an Qualified Option may be deemed to be a Non-Qualified Option as a result of such transfer.

14.1.3 Notwithstanding the foregoing, the Optionee may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of the death of the Optionee, shall thereafter be the beneficiary of an Option with the right to exercise the Option and receive the Common Stock or other consideration resulting from the Option exercise.

14.2 *Restrictions on Transfer of Option Stock*. Except as permitted under Section 9.2 and or Section 12.2, Optionees shall not dispose of any Common Stock acquired by exercise of Options ("Option Stock") within 2 years of the date of the Option Grant under which that Option Stock was acquired, or within 1 year from the date that Option Stock was issued, whichever is longer. For purposes of this Section, a disposition shall include any transfer or purported transfer of Option Stock, whether voluntary or involuntary, whether with or without valuable consideration and whether by sale, pledge, gift, foreclosure or otherwise.

14.3 *Company Right of First Refusal*. If, during the period between the expiration of the applicable time period for disposition of any Option Stock set forth in Section 14.2 and the initial public offering of the Company's capital stock pursuant to an effective registration statement under the Securities Act (the "Initial Public Offering"), any Optionee shall propose to voluntarily transfer any Option Stock, the Optionee shall deliver written notice of the proposed disposition to the Company, which

notice shall specify the proposed transferee, the number of shares of Option Stock proposed to be transferred and the price and other terms of the transfer (the "Offer Notice"). The Company shall thereupon have the right, exercisable by written notice delivered to the Optionee within 45 days following the date of its receipt of the Offer Notice, to elect to acquire the Option Stock proposed to be transferred, with the terms of acquisition being the terms set forth in the Offer Notice. If the Company delivers such notice within such 45 day period, then the Optionee shall sell, and the Company shall purchase, the Option Stock proposed to be transferred on the 10th day (or next business day thereafter) following the date of delivery of such notice by the Company. Alternatively, if the Company fails to deliver such notice within such period, then the Optionee may proceed with the transfer of the Option Stock to the party upon the terms specified in the Offer Notice. This Section 14.3 shall have no further effect upon the occurrence of the Initial Public Offering.

15. Redemption of Option Stock. Until the occurrence of the Initial Public Offering, all Option Stock shall be subject to redemption by the Company as follows:

15.1 *Termination of Employment*. Upon termination of the employment of an Employee or the relationship between a Director or an Outsider and the Company for any reason other than death, disability or, in the case of an Employee, retirement at or after the age of 65, the Company shall have the option, exercisable by written notice delivered to the Optionee (or the legal representative of the Optionee) within one (1) year after the effective date of termination of employment, to purchase all (but not less than all) of the Common Stock acquired by the Optionee under this Plan at the price and terms determined as follows:

15.1.1 The Company and the Optionee (or legal representative of the Optionee) shall attempt to agree upon a redemption price within fifteen (15) days after the Company shall have delivered notice to the subject Optionee of its election to redeem such Optionee's Option Stock. If the Company and the Optionee (or legal representative of the Optionee) cannot agree upon a redemption price within such time period, then the Company and the Optionee (or the legal representative of the Optionee) shall attempt to agree upon an independent third party to appraise the Option Stock. If they are unable to agree upon an appraiser, then the appraisal shall be conducted by a panel of 3 appraisers, one of whom shall be selected (and compensated) by the Company, one of whom shall be selected (and compensated) by the Optionee (or the legal representative of the Optionee) and one of whom shall be selected by the first two (2) appraisers and compensated in equal shares by the Company and the Optionee (or the legal representative of the Optionee). The appraiser(s) shall be directed to determine the fair market value of the Option Stock being redeemed, taking into account the financial condition of the Company and the fact that the Option Stock may or may not constitute a minority interest, but not taking into account the restrictions contained in this Plan. The determination of the appraiser(s) shall be communicated to the Company and the Optionee (or the legal representative of the Optionee) by written notice. That determination shall be binding upon the Company and the Optionee (or the legal representative of the Optionee) and shall not be subject to challenge or appeal.

15.1.2 Unless otherwise agreed by the Company and the Optionee (or the legal representative of the Optionee), the redemption price shall be payable, at the option of the Company, in one installment at the time of closing or in a series of up to 36 consecutive monthly installments beginning on the first day of the month following the closing. If the Company elects to make payment in deferred installments, then interest shall accrue on the unpaid balance of the redemption price at the prevailing London Interbank Offering Rate (LIBOR), adjusted when and as such rate is adjusted.

15.1.3 The closing of the redemption shall take place at the offices of the Company on a date designated by the Company which shall be not less than 10 days no more than 30 days after the date that the appraisal has been delivered to the Company

and the Optionee (or the legal representative of the Optionee). At the closing, the Company shall pay the price in full (or the first installment and deliver a promissory note for the remaining balance) and the Optionee shall endorse in blank and deliver to the Company the stock certificate representing the Option Stock being redeemed. By delivery of the stock certificate, the Optionee shall warrant marketable title to the shares of Option Stock, free and clear of all liens and encumbrances.

15.1.4 The rights of the Company under this Section 15.1 are assignable to any person or entity upon the approval of the Board of Director of the Company.

15.2 *Approved Offer*. If the Board of Directors of the Company at any time adopts a resolution recommending that all shareholders of the Company sell their Common Stock to a third party under an offer approved by the Board of Directors of the Company (each an "Approved Offer"), and if an Optionee holding Option Stock does not within 10 days after receipt of such notice commit to proceed as recommended by the Company, then the Company shall have the option, exercisable by written notice delivered within 20 days after the expiration of such 10 day period, to redeem such Option Stock at the price and upon the terms contained in the Approved Offer, with the closing of such redemption to occur on the 30th day following the date of delivery of such notice.

16. Limitation of Rights. An Optionee shall not have any rights as a stockholder with respect to any Common Stock which is the subject of an Option unless and until the date that a stock certificate is issued for such Common Stock pursuant to an exercise of the Option. No adjustment shall be made for dividends or otherwise if the record date for dividends is prior to the date of the issuance of such stock certificates.

17. No Right to Continued Employment. The grant of an Option by the Company to an Employee under this Plan shall not in any way establish any continuing right of that Employee to employment with the Company and all employees of the Company shall remain "at will" employees, unless the Company shall otherwise agree in a separate instrument.

RESTRICTED STOCK

18. Grants of Restricted Stock. The Committee may, in its discretion, make grants of Common Stock to Participants in such number of shares of Common Stock ("Restricted Stock"), subject to risk of forfeiture and subject to such other terms and restrictions (including, without limitation, restrictions on transfer) as may be set forth in a written agreement between the Company and the grantee of such Common Stock (each a "Restricted Stock Agreement"). Each Restricted Stock Agreement shall contain a representation of the grantee that he or she has received and reviewed a copy of this Plan. To the extent consistent with the Company's Bylaws, at the Board of Directors' election,

shares of Common Stock may be (a) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Grant lapse; or (b) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board of Directors. A Restricted Stock Grant may be awarded in consideration for (i) past or future services actually or to be rendered to the Company or an Affiliate, or (ii) any other form of legal consideration that may be acceptable to the Board of Directors in its sole discretion and permissible under applicable law.

19. Time of Restricted Stock Grants. The Committee may make Restricted Stock Grants under this Plan from the adoption date to and including (but not after) 10 years after such date.

20. Risk of Forfeiture. The Committee shall determine and specify in each Restricted Stock Agreement the circumstances under which the Restricted Stock granted thereunder shall be subject to forfeiture, which may include satisfaction of specific performance criteria and/or the completion of specified periods of continued employment with, or service to, the Company.

21. Voting Proxy. In the applicable Restricted Stock Agreement, each grantee of Restricted Stock shall grant to the Secretary of Company an irrevocable proxy, coupled with an interest, to vote all of the Shares of Restricted Stock that remain subject to risk of forfeiture under such Restricted Stock Agreement, provided that the Secretary of Company votes such shares on any matter put to a vote of the shareholders of Company in the same proportion (rounded to the nearest whole share) as (a) the shares of Common Stock are voted on such matter by all of the other holders of Company's Common Stock, when voting as a separate class, or (b) the shares of Common Stock and all other series and classes of the Company's capital stock are voted on such matter by all of the other holders of Company's capital stock, without regard to series or class.

22. Escrow. For purposes of facilitating the forfeiture rights of the Company set forth in each Restricted Stock Agreement, the grantee of any shares of Restricted Stock shall deliver to the Secretary of Company any certificate(s) for such shares that remain subject to forfeiture under such Restricted Stock Agreement, together with a stock power executed by such grantee, in blank. The Secretary of Company or his or her designee (in either such case, the "Escrow Agent") may hold such certificate(s) and stock power(s) in escrow and take all such actions and to effectuate all forfeitures contemplated by such Restricted Stock Agreement. Such escrow shall remain in effect so long as any shares of Restricted Stock remain subject to forfeiture under such Restricted Stock Agreement. As soon as any such shares of Restricted Stock cease to be subject to forfeiture, the Company shall give notice thereof to the Escrow Agent and the Escrow Agent shall release the same (together with any stock power relating thereto) to such grantee as and when requested by such grantee in writing to Company; *provided, however,* that Company shall be obligated to do so not more often than at the end of each calendar quarter thereafter and at such time as such shares are no longer subject to forfeiture;

provided further, however, that Company shall release any of such shares upon the occurrence of any event resulting in an acceleration of the lapse of forfeiture restrictions as provided in such Restricted Stock Agreement. By acknowledgement of this Plan in a Restricted Stock Agreement, each grantee of Restricted Stock acknowledges that the Escrow Agent is so appointed as a material inducement to the grant of such Restricted Stock, that such appointment is coupled with an interest, and is irrevocable. The Escrow Agent shall not be liable to such grantee or the Company (or to any other party) for any actions or omissions other than those constituting willful misconduct or gross negligence. The Escrow Agent may rely upon any letter, notice or other document executed by any signature purported to be genuine.

23. Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Grant Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Grant Agreement, as the Board of Directors shall determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Grant Agreement remains subject to the terms of the Restricted Stock Grant Agreement.

24. Termination of Participant's Continuous Service. In the event a Participant's Continuous Service terminates, the Company may receive via a forfeiture condition, any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Grant Agreement.

GENERAL

25. Securities Laws.

25.1 *Conditioned upon Availability of Exemption.* Any grant of Options or Restricted Stock under this Plan shall be conditioned on the availability of exemptions from the registration requirements of the Securities Act and applicable state securities laws (collectively, the "Securities Laws"). In addition, the Committee may condition any such grant on the receipt by the Company of such agreements, representations and warranties from the Optionee or grantee of Restricted Stock as the Company may request for the purpose of establishing the availability of such exemptions. Any such grant that is not so exempt shall be null, void and of no effect.

25.2 *Securities Laws.* No person shall dispose of any Option Stock or Restricted Stock (together, without distinction, the "Stock") unless in compliance with the Securities Laws. The Stock will not be registered under the Securities Laws and will be issued pursuant to exemptions therefrom. In the Notice of Exercise and the Restricted Stock Agreement, each Optionee and grantee of Restricted Stock shall acknowledge to the Company that the Stock will be, or has been, acquired pursuant to an exemption from the Securities Laws and that the Optionee or such grantee is acquiring the Stock for

investment purposes and not with a view to subsequent sale or redistribution. The Stock may not be transferred unless a registration statement for such Stock is then in effect or the transfer is otherwise exempt from registration.

25.3 *Restrictive Legend.* Each certificate representing shares of Stock shall be imprinted with legends in substantially the following form:

"The Common Stock represented by this Stock Certificate has been issued pursuant to the HDL THERAPEUTICS, INC. 2008 INCENTIVE STOCK OPTION AND RESTRICTED STOCK PLAN (the "Plan"). [FOR OPTIONS: Pursuant to the Plan, any disposition of the Common Stock is subject to substantial restrictions and HDL THERAPEUTICS, INC. has the right to redeem the Common Stock under specified circumstances. A copy of the Plan is maintained in the offices of HDL THERAPEUTICS, INC., and may be reviewed upon request.] [FOR RESTRICTED STOCK: Such Common Stock has been issued pursuant to a Restricted Stock Agreement that sets for the restrictions applicable thereto, including the circumstances under which such Common Stock is forfeit. A copy of such Agreement is maintained in the offices of HDL THERAPEUTICS, INC., and may be reviewed upon request.]"

"The Common Stock represented by this certificate has not been registered under the Securities Act or the securities laws of any state. Accordingly, such Common Stock may not be sold or otherwise disposed of, or transferred, unless a registration statement relating to the Common Stock is then in effect under such Act and applicable state securities laws, or unless an exemption from registration is established under those laws. Any transfer pursuant to exception from applicable federal and state securities laws is subject to the written consent of HDL THERAPEUTICS, INC. which may condition such consent upon receipt of the opinion of counsel, in form and substance satisfactory to HDL THERAPEUTICS, INC., to the effect that such registration is not required."

25.4 *Lock-Up Restriction.* In connection with a firm commitment underwritten public offering of securities of the Company, if requested by the issuer or its principal underwriter, each holder of Stock will: (a) not sell or otherwise transfer any such shares of Stock not included in such underwriting during the one hundred eighty (180) day period (or such shorter or longer period as the underwriter may require of the principal security holders of the issuer) following the effective date of the registration statement filed with the Securities and Exchange Commission in connection with such offering; and (b) execute such instruments as the underwriter may reasonably require to evidence compliance with this subsection.

25.5 *Stop Transfer Orders.* The Company may place a "stop transfer" order against shares of Stock issued upon exercise of any Option or pursuant to a Restricted

Stock Agreement until full compliance with all restrictions and conditions set forth in this Section.

26. Reclassifications. If there shall be any reclassification, capital reorganization, subdivision, combination or stock dividend or any other similar change affecting the Common Stock, then number of shares of Common Stock subject to any Option and the Exercise Price thereof shall be shall be proportionately and automatically adjusted and the aggregate Exercise Price of the Option shall not be less than the aggregate Exercise Price of the Option before the reclassification, capital reorganization, subdivision, combination or stock dividend or any other similar change affecting the Common Stock. Any such change shall be final and binding upon each Optionee. The instrument or action of the Board of Directors of the Company or committee thereof effecting any such change may provide for the elimination of any fractional share subject to an Option resulting therefrom.

27. Taxes.

27.1 *Withholding for Options.* Upon the disposition by an Optionee or other person of shares of Option Stock acquired pursuant to the exercise of a Qualified Option prior to satisfaction of the holding period requirements of Code Section 422, or upon the exercise of a Non-Qualified Option, the Company shall have the right to (a) require such Optionee or such other person to pay by cash or check payable to the Company, the amount of any taxes which the Company may be required to withhold with respect to such transactions, or (b) deduct from amounts paid in cash the amount of any taxes which the Company may be required to withhold with respect to such cash amounts. Notwithstanding the foregoing, in any case where a tax is required to be withheld in connection with the issuance or transfer of shares of Option Stock under this Plan, the Optionee may elect, pursuant to such rules as the Committee may establish, to have the Company reduce the number of such shares issued by the appropriate number of shares to accomplish such withholding; provided, the Committee may, in its discretion, impose such conditions on the payment of any withholding obligation as may be required to satisfy applicable regulatory requirements.

27.2 *Withholding for Restricted Stock.* Upon the grant of Restricted Stock, the Company shall have the right to require the grantee to pay by cash or check payable to the Company, the amount of any taxes which the Company may be required to withhold as a consequence of such grant.

27.3 *Loans to Pay Taxes.* Subject to applicable laws, rules or regulations, the Committee may, in its discretion, permit a loan from the Company to an Optionee or grantee of Restricted Stock in the amount of any taxes which the Company may be required to withhold, or the grantee be required to pay, with respect to shares of Common Stock received upon exercise of an Option or upon grant of Restricted Stock. Such a loan

will be for a term, at a rate of interest and pursuant to such other terms and rules as the Committee may establish, in its discretion.

27.4 *Elections under Code Section 83(b).* Any grantee of Restricted Stock shall be entitled to make an election with respect thereto under Code Section 83(b) and to pay taxes in respect of such Restricted Stock Grant upon the basis of such election. The Company shall have no obligation or liability with respect to any such filing, the value of the Restricted Stock declared therein or the timing of any such election.

28. Amendment, Termination and Suspension.

28.1 *Plan.* The Committee may, at any time, terminate or, from time to time, amend, modify or suspend this Plan (or any part hereof) other than Section 12.

28.2 *Approval.* If an amendment of this Plan would (a) materially increase the benefits accruing to Participants, (b) increase the aggregate number of shares of Common Stock which may be issued under this Plan, or (c) modify the requirements of eligibility for participation in this Plan, the amendment shall be approved by the Board of Directors of the Company or the Committee and, to the extent then required by Code Section 422, by a majority of the stockholders of the Company.

28.3 *Options.* With the consent of the affected Optionee, the Committee may, make such modifications of the terms and conditions of such Optionee's Option as it shall deem advisable. No modification of any other term or provision of any Option which is amended in accordance with the foregoing shall be required, although the Committee may, in its discretion, make such further modifications of any such Option as are not inconsistent with or prohibited by this Plan or Code Section 409A.

28.3.1 *No Modification of Existing Options.* In the case of Options issued before the effective date of any amendment, suspension or termination of this Plan, such amendment, suspension or termination shall not, without specific action of the Board of Directors of the Company or the Committee and the consent of the affected Optionee, in any way modify, amend, alter or impair any rights or obligations under any Option previously granted under this Plan.

28.3.2 *Qualified Options.* The Committee may not amend this Plan in any manner that would have the effect of preventing any Options which were intended to be Qualified Options from being treated as "qualified" incentive stock options under Code Section 422 and the Treasury Regulations promulgated thereunder.

28.3.3 *Extensions.* An Option may not be amended to provide for an extension of time to exercise the Option, other than at a time when the Exercise Price equals or exceeds the Fair Market Value of the Common Stock that could be purchased. In such case, the Committee, with the consent of the affected Optionee, may, but is not

obligated to, extend the exercise period of the Option and the extension shall be treated as the grant of a new Option.

28.3.4 *Exercise Price.* Notwithstanding anything in this Section 26.3 to the contrary, the Committee does not have the authority to adopt any amendment or agreement that will cause the Exercise Price of an Option (either Qualified and Non- Qualified) to be less than the Fair Market Value of the Common Stock at the time the Option was granted.

28.3.5 *Suspension or Termination of Plan.* No Options may be granted during any suspension of this Plan or after its termination.

28.4 *Restricted Stock.* The terms applicable to a Restricted Stock Grant may only be amended or otherwise modified in accordance with a written amendment of the related Restricted Stock Agreement, executed by the Company and the grantee.

29. Administration. This Plan shall be administered by the Committee, which by majority vote of a duly constituted quorum, shall have the power to grant Options and Restricted Stock, to establish rules for administration and interpretation of this Plan, to exercise all rights of the Company under and with respect to this Plan, to determine from time to time (a) which of the persons eligible under the Plan shall be granted Options and/or Restricted Stock Grants; (b) when and how such Options and/or Restricted Stock Grants shall be granted; (c) what type or combination of types of Options and/or Restricted Stock Grants shall be granted; (d) the provisions of each Options and/or Restricted Stock Grants granted (which need not be identical), including the time or times when a person shall be permitted to receive cash or Common Stock pursuant to Options and/or Restricted Stock Grants; (e) the number of shares of Common Stock with respect to which Options and/or Restricted Stock Grants shall be granted to each such person; and (f) the Fair Market Value applicable to such Options and/or Restricted Stock Grants, and otherwise to generally administer this Plan. The Committee, in

interpreting this Plan, reserves the right to correct any defect in this Plan, to supply any omission from this Plan or to reconcile any inconsistency in this Plan in a manner which is consistent with the objectives stated in the preamble to this Plan or to settle all controversies regarding the Plan and Options and/or Restricted Stock Grants granted under it. Any decision made by the Committee in the administration of this Plan shall be conclusive and binding upon the Company and the affected Optionee(s) and grantees of Restricted Stock Grants and shall not be subject to challenge or appeal.

29.1 In addition to the foregoing, the Committee shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

29.1.1 To accelerate the time at which Options and/or Restricted Stock Grants may first be exercised or the time during which such Options and/or Restricted Stock Grants or any part thereof will vest in accordance with the Plan,

notwithstanding the provisions in such Options and/or Restricted Stock Grants stating the time at which it may first be exercised or the time during which it will vest.

29.1.2 To suspend or terminate the Plan at any time. Suspension or termination of the Plan shall not impair rights and obligations under any Options and/or Restricted Stock Grants granted while the Plan is in effect except with the written consent of the affected Participant.

29.1.3 To amend the Plan in any respect the Committee deems necessary or advisable, including, without limitation, relating to Qualified Options and certain nonqualified deferred compensation under Section 409A of the Code and/or to bring the Plan or Options and/or Restricted Stock Grants granted under the Plan into compliance therewith, subject to the limitations, if any, of applicable law. However, except as provided in Section 26 relating to reclassification adjustments, to the extent required by applicable law, stockholder approval shall be required for any amendment of the Plan that either (a) materially increases the number of shares of Common Stock available for issuance under the Plan, (b) materially expands the class of individuals eligible to receive Options and/or Restricted Stock Grants under the Plan, (c) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (d) materially extends the term of the Plan, or (e) expands the types of Options and/or Restricted Stock Grants available for issuance under the Plan. Except as provided above, rights under any Options and/or Restricted Stock Grants granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

29.1.4 To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 422 of the Code regarding Qualified Options.

29.1.5 To approve forms of Restricted Stock Grant Agreements or Option Grants for use under the Plan and to amend the terms of any one or more Restricted Stock Grants or Options, including, but not limited to, amendments to provide terms more favorable than previously provided in the Restricted Stock Grant Agreements or Option Grants, subject to any specified limits in the Plan that are not subject to Board of Director discretion; *provided however*, that, the rights under any Restricted Stock Grants or Options shall not be impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing. Notwithstanding the foregoing, subject to the limitations of applicable law, if any, and without the affected Participant's consent, the Committee may amend the terms of any one or more Restricted Stock Grants or Options if necessary to maintain the qualified status of the Restricted Stock Grants or Options as a Qualified Option or to bring the Restricted Stock Grants or Options into compliance with Section 409A of the Code and any applicable Treasury Regulations promulgated thereunder.

29.1.6 To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Outsiders who are foreign nationals or employed outside the United States.

29.1.7 To effect, at any time and from time to time, with the consent of any adversely affected Participant, (a) the reduction of the exercise price of any outstanding Option under the Plan, (b) the cancellation of any outstanding Option under the Plan and the grant in substitution therefor of (i) a new Option under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (ii) a Restricted Stock Grant, (iii) cash and/or (iv) other valuable consideration (as determined by the Committee, in its sole discretion), or (c) any other action that is treated as a repricing under generally accepted accounting principles; *provided, however,* that no such reduction or cancellation may be effected if it is determined, in the Company's sole discretion, that such reduction or cancellation would result in any such outstanding Option becoming subject to the requirements of Section 409A of the Code.

29.2 *Delegation to an Officer*. The Committee may delegate to one or more officers of the Company the authority to do one or both of the following: (a) designate officers and Employees of the Company or any of its Affiliates to be recipients of Options (and, to the extent permitted by applicable law, Restricted Stock Grants) and the terms thereof, and (b) determine the number of shares of Common Stock to be subject to such Options or Restricted Stock Grants granted to such officers and Employees; *provided, however,* that the Board of Directors' resolutions regarding such delegation shall specify the total number of shares of Common Stock that may be subject to the Options or Restricted Stock Grants granted by such officer and that such officer may not grant Options or Restricted Stock Grants to himself or herself. Notwithstanding the foregoing, the Committee may not delegate authority to an officer to determine the Fair Market Value of the Common Stock pursuant to Section 9.1.3 above.

29.3 *Effect of Committee's Decision.* All determinations, interpretations and constructions made by the Committee in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

30. Liability/Indemnification. No member of the Committee shall be liable for any act or omission relating to the administration of this Plan excepting acts or omissions of that member which constitute gross negligence or willful misconduct. The Company shall indemnify and hold each present and future member of the Committee harmless from and against all claims, liabilities, damages or expenses (including, without limitation, attorneys fees and disbursements) incurred by such member in connection with or arising out of any claim, suit or proceeding relating any way to the administration or interpretation of this Plan; provided, however, that if, as a result of such claim, suit or proceeding, it is determined that the conduct of such member with respect to this Plan

constituted gross negligence or willful misconduct, then such member shall be obligated to reimburse the Company for any amounts paid pursuant to this indemnification.

31. No Deferred Compensation. The Company intends that the granting of any award under this Plan shall not constitute a deferral of compensation as defined in Code Section 409A and the interpretive authorities promulgated thereunder, and the provisions of this Plan shall be construed in a manner to carry out that intention.

32. *Availability of Shares.* During the terms of the Options and Restricted Stock Grants, the Company shall keep available at all times the number of shares of Common Stock reasonably required to satisfy such Options and Restricted Stock Grants.

33. *Use of Proceeds from Sales of Common Stock*. Proceeds from the sale of shares of Common Stock pursuant to Options or Restricted Stock Grants shall constitute general funds of the Company.

34. *Stockholder Rights*. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Options or Restricted Stock Grants unless and until such Participant has satisfied all requirements for exercise of the Options or Restricted Stock Grants pursuant to its terms and the Participant shall not be deemed to be a stockholder of record until the issuance of the Common Stock pursuant to such exercise has been entered into the books and records of the Company.

35. *No Employment or Other Service Rights*. Nothing in the Plan, any Option Grant or Restricted Stock Grant Agreement any other instrument executed thereunder or in connection with any Options or Restricted Stock Grants granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Options or Restricted Stock Grants was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without cause, (b) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (c) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

36. *Investment Assurances*. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Options or Restricted Stock Grants, (a) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Options or Restricted Stock Grants; and (b) to give written assurances satisfactory to the

Company stating that the Participant is acquiring Common Stock subject to the Options or Restricted Stock Grants for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise or acquisition of Common Stock under the Options or Restricted Stock Grants has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

37. *Electronic Delivery*. Any reference herein to a "written" agreement or document shall include any agreement or document delivered electronically or posted on the Company's intranet.

38. *Compliance with Section 409A*. To the extent that the Board determines that any Options or Restricted Stock Grants granted hereunder is subject to Section 409A of the Code, the Option Grant or Restricted Stock Grant Agreement evidencing such Options or Restricted Stock Grants shall incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code. To the extent applicable, the Plan and Option Grant or Restricted Stock Grant Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued or amended after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Board determines that any Options or Restricted Stock Grants may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Board may adopt such amendments to the Plan and the applicable Option Grant or Restricted Stock Grant Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Board determines are necessary or appropriate to (a) exempt the Options or Restricted Stock Grants from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Options or Restricted Stock Grants, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance.

39. *Compliance with Exemption Provided by Rule 12h-1(f).* If: (a) the aggregate of the number of Optionees and the number of holders of all other outstanding compensatory employee stock options to purchase shares of Common Stock equals or

exceeds five hundred (500), and (b) the assets of the Company at the end of the Company's most recently completed fiscal year exceed $10 million, then the following restrictions shall apply during any period during which the Company does not have a class of its securities registered under Section 12 of the Exchange Act and is not required to file reports under Section 15(d) of the Exchange Act: (i) the Options and, prior to exercise, the shares of Common Stock acquired upon exercise of the Options may not be transferred until the Company is no longer relying on the exemption provided by Rule 12h-l(f) promulgated under the Exchange Act ("Rule 12h-l(f)"), except: (1) as permitted by Rule 701(c) promulgated under the Securities Act, (2) to a guardian upon the disability of the Optionee, or (3) to an executor upon the death of the Optionee (collectively, the "Permitted Transferees"); *provided, however,* the following transfers are permitted: (x) transfers by the Optionee to the Company, and (z) transfers in connection with a change of control or other acquisition involving the Company, if following such transaction, the Options no longer remain outstanding and the Company is no longer relying on the exemption provided by Rule 12h-1(f); *provided further,* that any Permitted Transferees may not further transfer the Options; (ii) except as otherwise provided in (i) above, the Options and shares of Common Stock acquired upon exercise of the Options are restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" as defined by Rule 16a-1(h) promulgated under the Exchange Act, or any "call equivalent position" as defined by Rule 16a-1(b) promulgated under the Exchange Act by the Optionee prior to exercise of an Option until the Company is no longer relying on the exemption provided by Rule 12h-1(f); and (iii) at any time that the Company is relying on the exemption provided by Rule 12h-1(f), the Company shall deliver to Optionees (whether by physical or electronic delivery or written notice of the availability of the information on an internet site) the information required by Rule 701(e)(3), (4), and (5) promulgated under the Securities Act every six (6) months, including financial statements that are not more than one hundred eighty (180) days old; *provided, however,* that the Company may condition the delivery of such information upon the Optionee's agreement to maintain its confidentiality.

40. Approval of Plan. The Adoption Date upon which this Plan has been adopted by the Board of Directors of the Company is April 24, 2008. The shareholders of the Company approved this Plan on April 24, 2008 (the "Effective Date").

EXHIBIT A

OPTION GRANT

To: _____

Date: _____

HDL THERAPEUTICS, INC. (the "Company") hereby grants you an option (the "Option"), pursuant to the HDL THERAPEUTICS, INC. 2008 INCENTIVE STOCK OPTION AND RESTRICTED STOCK PLAN (the "Plan") to purchase up to _____ shares of the Common Stock of the Company (the "Option Shares") at a price of $_____ per share. The date of the grant of this Option is as indicated above. It has been determined that, on this date, the fair market value of the Common Stock of the Company is $____ per share.

The Option [is intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended][IS NOT intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended].

Attached is a copy of the Plan. Your rights under this Option are, in all respects, limited and conditioned as provided in the Plan.

In your review of the Plan, your attention is specifically directed to the time within which you may and must exercise the Option. Your rights under the Option will vest if you continue to provide services to the Company on the following schedule:

Date	Cumulative Option Shares Vested

If your employment or other arrangement with the Company is terminated for any reason prior to a vesting date, no further vesting will occur on or after the effective date of termination.

Please note that the Plan does not require that you exercise any vested rights under the Option as to any particular number of Option Shares at any particular time, but that your right to exercise this Option will in all events expire years from the date of this Option Grant and will be subject to an earlier termination if your employment or

other applicable engagement with the Company is for any reason terminated prior to the expiration of that time period.

The purchase price for shares of Common Stock acquired by you pursuant to the Option shall be payable **[as provided in Section 9 (Option Price/Payment Terms) of the Plan] [as follows: {INSERT METHOD OF PAYMENT}].**

Your exercise of the Option shall only be by means of the Notice of Exercise which is attached to the Plan.

The Option Shares have not been registered, nor does the Company have any obligation to register the Option Shares, under the Securities or the securities laws of any state. Accordingly, upon any exercise of this Option, Option Shares will not be freely transferable and may not be sold or otherwise disposed of, or transferred, unless a registration statement relating to the Option Shares is then in effect under such Act and applicable state securities laws, or unless an exemption from registration is established under those laws. Any transfer pursuant to exception from applicable Federal and state securities laws is subject to the written consent of HDL THERAPEUTICS, INC., which may condition such consent upon receipt of the opinion of counsel, in form and substance satisfactory to HDL THERAPEUTICS, INC. to the effect that such registration is not required.

If you have any questions or comments regarding this Option or this Plan, please do not hesitate to discuss them with the undersigned.

HDL THERAPEUTICS, INC.

By: _____

Its: _____

I have received and reviewed a copy of the Plan and acknowledge and agree that the grant evidenced by this instrument is in all respects governed by the Plan.

Signature of Optionee: _____

Name of Optionee (Please print): _____

Date: _____

EXHIBIT B

NOTICE OF EXERCISE

To: HDL THERAPEUTICS, INC.

Date: _____

The undersigned, pursuant to the Option Grant dated _____, 2__ (the "Option") made by HDL THERAPEUTICS, INC. (the "Company") under the HDL THERAPEUTICS, INC. 2008 INCENTIVE STOCK OPTION AND RESTRICTED STOCK PLAN (the "Plan") hereby exercises the right to purchase _____ shares of Common Stock of the Company at the price of $_____ per share. Enclosed is the consideration for those shares of Common Stock.

I acknowledge that the Common Stock issued to me will be subject to all restrictions contained in this Plan, including, without limitation, restrictions on transfer of the Common Stock and the right of the Company under specified conditions to redeem the Common Stock.

I acknowledge that the Common Stock has not been registered under any federal or state securities law and that I may not transfer the Common Stock unless a registration is then in effect or the transfer is exempted from registration. I acknowledge that any proposed transfer in reliance upon exemption from registration is subject to the written consent of the Company, which consent may be conditioned upon receipt of a satisfactory opinion of counsel with respect to such exemption.

I represent that the Common Stock is being acquired by me as an investment and not with the view to sale or distribution.

[NAME OF OPTIONEE]

ESPERION THERAPEUTICS, INC.

Amendment to 2008 Incentive Stock Option and Restricted Stock Plan

This Amendment (this "Amendment") to the 2008 Incentive Stock Option and Restricted Stock Plan (the "Plan") of Esperion Therapeutics, Inc., a Delaware corporation (the "Company"), was adopted by the Board of Directors of the Company on December 5, 2012, and by the written consent of the stockholders of the Company on December 7, 2012, such amendment to be effective immediately. The Plan is hereby amended as follows:

1. The aggregate number of shares of Common Stock of the Company that may be issued pursuant to Options or Restricted Stock Grants under the Plan in Section 4 of the Plan is hereby amended to "5,000,000."

Except to the extent amended hereby, all of the terms, provisions and conditions set forth in the Plan are hereby ratified and confirmed and shall remain in full force and effect. The Plan and this Amendment shall be read and construed together as a single instrument.

Adopted by the Board of Directors of the Company on December 5, 2012.

Adopted by the Stockholders of the Company on December 7, 2012.

ESPERION THERAPEUTICS, INC.

Amendment to 2008 Incentive Stock Option and Restricted Stock Plan

This Amendment (this "Amendment") to the 2008 Incentive Stock Option and Restricted Stock Plan, as amended (the "Plan"), of Esperion Therapeutics, Inc., a Delaware corporation (the "Company"), was adopted by the written consent of the Board of Directors of the Company on March 25, 2013, and by the written consent of the stockholders of the Company on March 25, 2013, such amendment to be effective immediately. The Plan is hereby amended as follows:

1. The aggregate number of shares of Common Stock of the Company that may be issued pursuant to Options or Restricted Stock Grants under the Plan in Section 4 of the Plan is hereby amended to "5,800,000."

Except to the extent amended hereby, all of the terms, provisions and conditions set forth in the Plan are hereby ratified and confirmed and shall remain in full force and effect. The Plan and this Amendment shall be read and construed together as a single instrument.

Adopted by the Board of Directors of the Company on March 25, 2013.

Adopted by the Stockholders of the Company on March 25, 2013.

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this ***"Agreement"***) by and between ESPERION THERAPEUTICS, INC., a Delaware corporation (the ***"Company"***) and ROGER NEWTON (***"Executive"***) is made and entered into on December 4, 2012 to be effective as of December 10, 2012 (the ***"Effective Date"***).

1. Employment; Directorship.

(a) This Agreement supersedes any prior agreement, promise, representation or statement written or otherwise between Executive and the Company, including that Employment Agreement dated as of April 24, 2008. Prior to the Effective Date, Executive shall assist and cooperate in good faith to transition his duties and responsibilities as President and Chief Executive Officer to his successor. This Agreement shall be effective as of the Effective Date and shall remain in effect so long as Executive is employed by Company; provided, however, that the rights and obligations of the parties hereto contained in Articles 6 and 7 of this Agreement, and as otherwise explicitly provided in this Agreement, shall survive any termination of this Agreement until such time as such duty or obligation is satisfied in full. During the term of employment hereunder, Executive shall serve as the Executive Chairman and Chief Scientific Officer of the Company and diligently perform all such services, acts and things as are customarily done and performed by a chief scientific officer and executive chairman of a company of similar size and business as the Company, together with such other duties as may reasonably be requested from time to time by the Board of Directors of the Company (the ***"Board"***).

(b) Executive agrees that while Executive remains an employee of the Company according to the terms of this Agreement, Executive's service as a member of the Board will be at no additional compensation. Upon any termination of Executive's employment with the Company for any reason, Executive agrees to immediately resign from the Board. Notwithstanding his resignation, the Executive may be appointed or elected to the Board following the termination of employment.

2. Devotion to the Company's Business. Executive shall devote substantially all of his productive time, ability and attention exclusively to the business of the Company, and Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain or profit, other than as permitted by this Section 2. The foregoing shall not be construed as preventing Executive from devoting reasonable amounts of time to various charitable and other community activities that do not interfere with Executive's role with the Company. The Company acknowledges that Executive currently holds board positions with the organizations set forth on the attached Exhibit A. Executive represents, and the Company acknowledges, that none of such activities violates the restrictive covenants set forth in Section 7 of this Agreement. Executive represents that such board positions do not conflict with and will not adversely affect Executive's role with the Company. Executive shall not accept any new board positions without the written consent of the compensation committee of the Company's Board, which consent shall not be unreasonably withheld. In the performance of his duties

---

hereunder, Executive shall act in good faith with a view to the interests of the Company, with the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3. Compensation.

(a) Base Compensation. As compensation for the services to be performed hereunder, the Company shall pay to Executive an annual base salary of Three Hundred Seventy Five Thousand Dollars ($375,000.00) (the ***"Base Salary"***), less standard withholdings and deductions payable in accordance with the Company's standard payroll procedures; provided that the Base Salary shall increase to Four Hundred Thousand Dollars ($400,000.00) upon the closing of a Qualifying Series B Transaction. A "***Qualifying Series B Transaction***" is a transaction whereby the Company sells shares of Series B Preferred Stock resulting in gross proceeds of at least $25 million (with at least $15 million from new investors) and at a per share price greater than $1.00 per share. The Executive's Base Salary shall be subject to review and adjustment in accordance with Company policy and subject to review and approval by the Board.

(b) Annual Incentive Bonus. Executive shall be eligible for a discretionary bonus of up to forty percent (40%) of his then applicable Base Salary (the "***Bonus***") as determined at the sole discretion of the Board for each fiscal year Executive is employed by the Company, beginning with fiscal year 2013. The amount, if any, of any such Bonus for each fiscal year shall be based on Executive's and/or the Company's achievement of certain measurable goals, established by mutual agreement between the Board and Executive within a reasonable time following the commencement of each fiscal year. The Company will pay the Bonus in accordance with Company's standard practice. To be eligible to receive the Bonus for any given year, Executive must be employed by the Company throughout that entire fiscal year. Executive will not be eligible to receive a Bonus for any given fiscal year in which Executive's employment with the Company terminates. The Board shall have the sole discretion to change or eliminate the annual bonus program at any time, and to determine the amount of Bonus earned by Executive, if any.

(c) Stock Options. As soon as practicable following the Effective Date, the Company shall issue to Executive non-qualified options to purchase 531,923 shares of common stock. The exercise price of the options shall be the fair market value as determined by the Board, upon completion of a valuation conducted by a qualified third party to be completed as soon as reasonably practicable. The options shall be evidenced by the Company's standard award agreement and shall vest 25% on the first anniversary of the Effective Date with the remaining vesting 1/36 per month for the 3 years thereafter. Such option award agreement shall provide that upon the occurrence of a Change of Control (as hereinafter defined): (i) the Executive's vesting schedule will be accelerated such that 50% of the options which would otherwise be "unvested" at the time of the Change in Control shall be vested at such time; and (ii) further, in the event that Executive's employment is terminated without Cause or with Good Reason during the twelve (12) month period following a Change of Control, 100% of Executive's remaining

---

options will become vested immediately. The Company may, at the Board's discretion, grant additional stock options or other equity awards to Executive based on Executive's performance, in accordance with the Company's stock option plan or other similar employee benefits plans adopted by the Company from time to time. For purposes of this Agreement, the term "***Change of Control***" means (a) a sale of substantially all of the assets of the Company; (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation in which stockholders immediately before the merger or consolidation have, immediately after the merger or consolidation, a majority of the voting power of the surviving corporation); or (c) a reverse merger in which the Company is the surviving corporation but the shares of the Company's Common Stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (other than a reverse merger in which stockholders immediately before the merger have, immediately after the merger, a majority of the voting power of the surviving corporation); or (d) any transaction or series of related transactions in which in excess of 50% of the Company's voting power is transferred, other than an initial offering of Company stock to the public registered under the Securities Act of 1933, as amended, or the sale by the Company of stock in transactions the primary purpose of which is to raise capital for the Company's operations and activities.

4. Benefits. The Company shall provide to Executive medical and other employee benefits as are generally available from time to time to other executive employees of the Company. The Company shall have the right, but not the obligation, to purchase life insurance on Executive in amounts deemed prudent to protect the

Company. Executive shall fully cooperate with the Company should it decide to obtain life insurance. Executive shall be entitled to take four (4) weeks of paid vacation during each calendar year in accordance with the Company's standard policies.

5. Reimbursement of Business Expenses. The Company shall reimburse Executive for travel, entertainment, business development and other expenses reasonably and necessarily incurred by Executive in connection with the Company's business. Expense reimbursement shall be subject to such policies the Company may adopt from time to time, including reasonable documentation requests.

6. Term; Termination of Employment.

6.1 At-Will Employment. Executive's relationship with the Company is terminable at-will. Both Executive and the Company shall have the right to terminate Executive's employment with Company at any time with or without Cause, and with or without advance notice, except as set forth in Section 6.3. The at-will nature of Executive's employment with Company may only be changed in an express written agreement signed by Executive and a duly authorized member of the Board.

6.2 Termination by Company for Cause. In the event that the Company terminates Executive's employment for Cause, the Executive will only be entitled to receive Executive's annual base salary and benefits through the time of termination, and the Company thereafter

shall have no further obligation under this Agreement to Executive. For purposes of this Agreement, "*Cause*" shall mean (i) conviction (including a guilty or no contest plea) on a felony indictment or for any misdemeanor involving moral turpitude that adversely affects the Company; (ii) participation in a fraud or act of dishonesty against the Company; (iii) material breach of Executive's duties to the Company, that has not been cured to the reasonable satisfaction of the Board, within thirty (30) days following written notice to Executive (provided that no such notice and cure period will be required if such a breach is not subject to cure); (iv) intentional and material damage to the Company's property; or (v) material breach of the employment agreement or other written agreement with the Company or written policy of the Company.

6.3 Executive's Voluntary Resignation. Executive may voluntarily terminate Executive's employment with the Company, with or without Good Reason (as hereinafter defined), upon fourteen (14) days' advance written notice to the Company. In the event that Executive terminates Executive's employment with the Company without Good Reason, the Executive will only be entitled to receive Executive's annual base salary and benefits through the date of termination, and the Company thereafter shall have no further obligation under this Agreement to Executive. Executive may resign Executive's employment for Good Reason so long as Executive tenders Executive's resignation to Company within thirty (30) days after the occurrence of the event or after Executive first learns of the event which forms the basis for Executive's termination for Good Reason (whichever last occurs), citing with specificity such basis; provided that the Company shall have a period of thirty (30) days to cure any claimed Good Reason event, and if so cured, Good Reason shall be deemed not to have occurred. For purposes of this Agreement, "*Good Reason*" shall mean any one of the following events which occurs on or after the commencement of Executive's employment, in each case without Executive's consent: (i) a material reduction in Executive's duties, responsibilities or authority or any decrease in Executive's Base Salary of more than twenty (20%) percent, which in any event shall not include any transition to less than a full-time position; (ii) any requirement that the Executive relocate to a work site more than fifty (50) miles from the Company's current location; (iii) any material breach by Company of its obligations under this Agreement; or (iv) the Board requests or requires Executive to perform any illegal act or any act that is inconsistent with accepted standards of ethical and professional behavior.

6.4 Termination for Death or Disability. Executive's employment with Company will be automatically terminated in the event of Executive's death, or any illness, disability or other incapacity that renders Executive physically or mentally unable regularly to perform Executive's duties hereunder for a period of three (3) months. For purposes of this Agreement, Executive shall be disabled, mentally or physically, in the event Executive is unable, with or without accommodations required by law, to perform the essential functions of his duties to Company as prescribed hereunder, as reasonably determined by the Board based upon a medical evaluation of Executive paid for by Company (and Executive agrees to reasonably cooperate with such medical evaluation). Upon such termination, Executive or Executive's heirs, successors, and assigns shall not receive any compensation or benefits other than payment of accrued salary and vacation and such other benefits as expressly required in such event by applicable law or the terms of applicable benefit plans. All stock options and any other stock awards held by Executive shall cease vesting as of the date of termination and shall be exercisable thereafter

only pursuant to the terms of Company's then-governing stock option plan and any separate stock award agreement between Company and Executive.

6.5 Severance Upon Termination Without Cause or With Good Reason. In the event that Executive's employment with Company terminates without Cause or with Good Reason, Company shall pay Executive, as his sole severance benefits, severance in the amount of one (1) year of Executive's Base Salary, less standard deductions and withholdings payable over the course of one (1) year in accordance with the Company's standard payroll procedures, provided that Executive promptly resigns from the Company's Board of Directors and timely executes and allows to become effective a release agreement in the form attached as Exhibit B.

7. Restrictive Covenants.

7.1 Noncompetition and Other Work Activities. In order to protect the trade secrets and confidential and proprietary information of the Company, during his employment and for a period of one (1) year following the termination of Executive's employment with the Company, Executive agrees that Executive will not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever:

(a) engage in, become financially interested in, be employed by or have any business connection with any enterprise or division of an enterprise located in the United States or any other country, territory or region in which the Company conducts a business whose principal focus is the discovery and/or development of lipid regulating therapies (each a "***Competing Business***"); provided, however, that Executive may own less than two percent (2%) of the voting stock of such corporation that is registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(b) directly or indirectly solicit, entice, induce, or encourage employees of the Company to leave the Company to accept work with Executive, any entity in which Executive has any interest, or a Competing Business; or

(c) directly or indirectly solicit any customer or prospective customer of the Company on Executive's own behalf or on behalf of any Competing Business for the sale of drug therapies that compete with those provided by the Company.

7.2 Reasonable Scope of Noncompete. Executive agrees and acknowledges that the covenants set forth in this Article 7 are reasonable and valid in geographical and temporal scope and in all other respects and are reasonably necessary for the protection of the Company. If any court determines that any covenant set forth in this Article 7, or any portion of any such covenant, is unenforceable because of its duration or scope, such court shall have the power to reduce such duration or scope, as the case may be, and to enforce such covenant or portion in such reduced form.

7.3 Legal and Equitable Remedies. Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for

Executive's breach of his obligations (whether individually or together) hereunder. Accordingly, Executive specifically agrees that Company shall be entitled to seek temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of this Article 7 of this Agreement and that such relief may be granted without the necessity of proving actual damages, and without bond. *Executive acknowledges and agrees that the provisions in this Article 7 are essential and material to this Agreement, and that upon breach of this Article 7 by Executive, Company is entitled to withhold providing payments or consideration, to equitable relief to prevent continued breach, to recover damages and to seek any other remedies available to Company.* This provision with respect to injunctive relief shall not, however, diminish the right of Company to claim and recover damages or other remedies in addition to equitable relief.

7.4 Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Article 7, any such duty, obligation, or covenants to which the parties agreed by this Article 7 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The duration and length of Executive's duties and obligations as agreed by this Article 7 shall continue upon the effective date of any such settlement, or judicial or other resolution.

7.5. Intellectual Property Rights. Executive hereby confirms that he has executed and delivered to the Company the Employee Proprietary Information and Inventions Assignment in the Company's standard form, which agreement is in effect and shall survive the termination of Executive's employment.

8. Arbitration. With the sole exception of any claim by the Company against Executive to enforce Article 7 of this Agreement, which claim the parties hereby agree may be brought in any court of competent jurisdiction in the State of Michigan, in the event of any dispute or claim relating to or arising out of Executive's employment relationship with the Company or the termination of that relationship (including, but not limited to, any claims of wrongful termination or age, sex, race, disability or other discrimination), Executive and the Company agree that all such disputes shall be fully and finally resolved by binding arbitration conducted before a single neutral arbitrator pursuant to the rules for arbitration of employment disputes by the American Arbitration Association. Any such claim shall be arbitrated in Ann Arbor, Michigan. The arbitrator shall permit adequate discovery and is empowered to award all remedies otherwise available in a court of competent jurisdiction and any judgment rendered by the arbitrator may be entered by any court of competent jurisdiction. The arbitrator shall issue an award in writing and state the essential findings and conclusions on which the award is based. By executing this Agreement, Executive and the Company are both waiving the right to a jury trial with respect to any such disputes. The arbitrator shall have the authority to allocate fees (including attorney fees) and all other cost and expenses between the parties, including the ability to award such fees, costs and expenses to the prevailing party. Executive agrees that unless a shorter period of limitations applies, any claim, suit, action, administrative charge or other proceeding arising out of Executive's employment or the termination of Executive's employment, without limitation, claims arising under State or Federal civil rights statutes, must be brought or asserted by Executive within one year of the event giving rise to the claim or be

forever barred. Executive expressly waives any longer statute or other period of limitations to the contrary.

9. Notice. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission) or the third day after mailing by first class mail, to Company at its primary office location and to Executive at Executive's address as listed on Company payroll (which address may be changed by written notice).

10. Miscellaneous.

(a) The provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

(b) The rights and obligations of Company under this Agreement shall inure to the benefit of, and shall be binding on, Company and its successors and assigns. This Agreement is personal to Executive and he may not assign his obligations under this Agreement in any manner whatsoever and any purported assignment shall be void. For all purposes under this Agreement, the term "Company" shall include any successor to Company's business and/or assets that assumes Company's rights and obligations under this Agreement.

(c) The failure of any party to enforce any provision or protections of this Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

(d) This Agreement sets forth the entire understanding and agreement of Executive and Company with respect to its subject matter and supersedes all prior understandings and agreements, whether written or oral, in respect thereof. No modification, termination or attempted waiver of this Agreement shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its conflicts of law principles.

(f) Captions and section headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

(g) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the

same instrument. Copies (whether photostatic, facsimile or otherwise) of this Agreement may be made and relied upon to the same extent as an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date set forth above.

COMPANY:

Esperion Therapeutics, Inc., a Delaware corporation

By: /s/ Nicole Vitullo
Name: Nicole Vitullo
Its: Director

Executive:

/s/ Roger Newton
Roger Newton

Exhibit A

BioSavita, Inc.
FirstSense Medical Products, Inc.
Juventas Therapeutics, Inc.
Rubicon Genomics, Inc.

Exhibit B
Form of Release

RELEASE AGREEMENT

Executive and Company each acknowledge that (i) Executive and Company are party to an Employment Agreement dated , 2012 (the "***Employment Agreement***"), pursuant to which certain provisions thereof expressly survive the cessation of Executive's employment thereunder, (ii) Executive is party to that certain Proprietary Information and Inventions Agreement (the "***Proprietary Information and Inventions Agreement***"), certain provisions of which expressly survive the cessation of Executive's employment with Company; and (iii) Executive and Company may be party as of the date of this Release Agreement of one or more option agreements and/or related option grant notices (collectively, the "***Stock Rights Instruments***"). The parties further acknowledge that nothing in this Release Agreement shall: (i) release Executive or Company from violations occurring after the cessation of Executive's employment with Company of any of their respective obligations under any of the provisions of the Employment Agreement (including, without limitation, Company's obligation to provide severance or benefits to Executive) or the Proprietary Information and Inventions Agreement which survive the cessation of Executive's employment with Company; (ii) eliminate Executive's rights under any of the provisions of the Employment Agreement which survive the cessation of Executive's employment with Company; and (iii) affect Executive's or Company's rights or obligations with respect to the Stock Rights Instruments.

In consideration for the severance benefits provided to Executive pursuant to the Employment Agreement, Executive hereby releases, acquits and forever discharges Company, its parents and subsidiaries, and its and their respective officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification Executive may have as a result of any action against Executive based on Executive's employment with Company, or as otherwise provided in applicable insurance policies or other agreements) arising out of or in any way related to events, acts or conduct occurring on or prior to the date Executive executes this Release Agreement, including, without limitation, any claims arising out of or in any way connected with the Employment Agreement, Executive's employment with Company or the termination of that employment, including but not limited to, claims of intentional and negligent infliction of emotional distress, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("***ADEA***"); the federal Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act, as amended; Michigan laws relating to employment, including, without limitation, the Elliot-Larsen Civil Rights Act, the Michigan Persons with Disabilities Civil Rights Act, the Michigan Whistleblowers Protection Act and Michigan Wage and Fringe Benefit Statute; tort law; contract law; wrongful discharge;

discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing.

The Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under ADEA. Executive also acknowledges that the consideration given for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (A) Executive's waiver and release do not apply to any rights or claims that may arise after Executive executes this Release Agreement; (B) Executive has the right to consult with an attorney prior to executing this Release Agreement; (C) Executive has twenty-one (21) days to consider this Agreement (although Executive may choose to voluntarily execute this Release Agreement earlier); (D) Executive has seven (7) days following the execution of this Release Agreement by the parties to revoke the Release Agreement in a written notice of revocation provided to the Chairman of the Company's Board of Directors; and (E) this Release Agreement shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day after this Release Agreement is executed by the Executive, provided that Company has also executed this Release Agreement by that date ("***Effective Date***").

EXECUTIVE ACKNOWLEDGES AND AGREES THAT HIS RELEASE OF CLAIMS INCLUDES, BUT IS NOT LIMITED TO, ANY UNKNOWN OR UNSUSPECTED CLAIMS.

THIS IS A RELEASE – READ BEFORE SIGNING

ESPERION THERAPEUTICS, INC.

By: _____ _____

Name: _____

Title: _____

Date: _____ Date: _____

Exhibit 10.4

Execution Version

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this ***"Agreement"***) by and between ESPERION THERAPEUTICS, INC., a Delaware corporation (the ***"Company"***) and TIMOTHY MAYLEBEN (***"Executive"***) is made and entered into on December 3, 2012 to be effective as of December 10, 2012 (the ***"Effective Date"***).

1. Employment; Directorship.

(a) This Agreement shall be effective as of the Effective Date and shall remain in effect so long as Executive is employed by Company; provided, however, that the rights and obligations of the parties hereto contained in Articles 6 and 7 of this Agreement, and as otherwise explicitly provided in this Agreement, shall survive any termination of this Agreement until such time as such duty or obligation is satisfied in full. During the term of employment hereunder, Executive shall serve as the Chief Executive Officer and President of the Company, shall report to the Company's Board of Directors (the "***Board***"), and diligently perform all such services, acts and things as are customarily done and performed by a president and chief executive officer of a company of similar size and business as the Company, together with such other duties as may reasonably be requested from time to time by the Board.

(b) Executive agrees that while Executive remains an employee of the Company according to the terms of this Agreement, Executive will serve as a member of the Board at no additional compensation. Upon any termination of Executive's employment with the Company for any reason, Executive agrees to immediately resign from the Board.

2. Devotion to the Company's Business. Executive shall devote substantially all of his productive time, ability and attention exclusively to the business of the Company, and Executive shall not engage in any other business activity, whether or not such business activity is pursued for gain or profit, other than as permitted by this Section 2. The foregoing shall not be construed as preventing Executive from devoting reasonable amounts of time to various charitable and other community activities that do not interfere with Executive's role with the Company. The Company acknowledges that Executive currently holds board positions with the organizations set forth on the attached Exhibit A. Executive represents, and the Company acknowledges, that none of such activities violates the restrictive covenants set forth in Section 7 of this Agreement. Executive represents that such board positions do not conflict with and will not adversely affect Executive's role with the Company. Executive shall not accept any new board positions without the written consent of the compensation committee of the Company's Board, which consent shall not be unreasonably withheld. In the performance of his duties hereunder, Executive shall act in good faith with a view to the interests of the Company, with the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3. Compensation.

(a) Base Compensation. As compensation for the services to be performed hereunder, the Company shall pay to Executive an annual base salary of Four Hundred Thousand Dollars ($400,000.00) (the ***"Base Salary"***), less standard withholdings and deductions payable in accordance with the Company's standard payroll procedures. The Executive's Base Salary shall be subject to review and adjustment in accordance with Company policy and subject to review and approval by the Board.

(b) Annual Incentive Bonus. Executive shall be eligible for a discretionary bonus of up to forty percent (40%) of his then applicable Base Salary (the "***Bonus***") as determined at the sole discretion of the Board for each fiscal year Executive is employed by the Company, beginning with fiscal year 2013. The amount, if any, of any such Bonus for each fiscal year shall be based on Executive's and/or the Company's achievement of certain measurable goals, established by mutual agreement between the Board and Executive within a reasonable time following the commencement of each fiscal year. The Company will pay the Bonus in accordance with Company's standard practice. To be eligible to receive the Bonus for any given year, Executive must be employed by the Company throughout that entire fiscal year. Executive will not be eligible to receive a Bonus for any given fiscal year in which Executive's employment with the Company terminates. The Board shall have the sole discretion to change or eliminate the annual bonus program at any time, and to determine the amount of Bonus earned by Executive, if any.

(c) Stock Options. As soon as practicable following the Effective Date, the Company shall issue to Executive options to purchase 1,911,790 shares of common stock. To the extent possible and in compliance with the Company's option plan, such options shall be incentive stock options; provided that such options shall be non-qualified to the extent incentive stock options are not permissible. The exercise price of the options shall be the fair market value as determined by the Board, upon completion of a valuation conducted by a qualified third party to be completed as soon as reasonably practicable. The options shall be evidenced by the Company's standard award agreement and shall vest 25% on the first anniversary of the Effective Date with the remaining vesting 1/36 per month for the 3 years thereafter. Such option award agreement shall provide that upon the occurrence of a Change of Control (as hereinafter defined): (i) the Executive's vesting schedule will be accelerated such that 50% of the options which would otherwise be "unvested" at the time of the Change in Control shall be vested at such time; and (ii) further, in the event that Executive's employment is terminated without Cause or with Good Reason during the twelve (12) month period following a Change of Control, 100% of Executive's remaining options will become vested immediately. The Company may, at the Board's discretion, grant additional stock options or other equity awards to Executive based on Executive's performance, in accordance with the Company's stock option plan or other similar employee benefits plans adopted by the Company from time to time. For purposes of this Agreement, the term "***Change of Control***" means (a) a sale of substantially all of the assets of the Company; (b) a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation in

which stockholders immediately before the merger or consolidation have, immediately after the merger or consolidation, a majority of the voting power of the surviving corporation); or (c) a reverse merger in which the Company is the surviving corporation but the shares of the Company's Common Stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (other than a reverse merger in which stockholders immediately before the merger have, immediately after the merger, a majority of the voting power of the surviving corporation); or (d) any transaction or series of related transactions in which in excess of 50% of the Company's voting power is transferred, other than an initial offering of Company stock to the public registered under the Securities Act of 1933, as amended, or the sale by the Company of stock in transactions the primary purpose of which is to raise capital for the Company's operations and activities.

4. Benefits. The Company shall provide to Executive medical and other employee benefits as are generally available from time to time to other executive employees of the Company. The Company shall provide Executive with those benefits currently offered to the Company's chief executive officer, including term life insurance in amounts determined by the Company, to the extent the Company currently offers such benefits. The Company shall also have the right, but not the obligation, to purchase life insurance on Executive that benefits the Company in amounts deemed prudent to protect the Company. Executive shall fully cooperate with the Company should it decide to obtain such life insurance. Executive shall be entitled to take four (4) weeks of paid vacation during each calendar year in accordance with the Company's standard policies.

5. Reimbursement of Business Expenses; Commuting Expenses. The Company shall reimburse Executive for travel, entertainment, business development and other expenses reasonably and necessarily incurred by Executive in connection with the Company's business. Expense reimbursement shall be subject to such policies the Company may adopt from time to time, including reasonable documentation requests. To the extent that Executive relocates his personal residence outside of the State of Michigan, the Company will reimburse Executive for reasonable commuting expenses similar to those offered to other members of the Company's senior management team. In such event and unless otherwise agreed to in writing by Executive and the Company, the Company expects that Executive will spend at least 80% of his time working in the Company's Michigan office or traveling on Company business.

6. Term; Termination of Employment.

6.1 At-Will Employment. Executive's relationship with the Company is terminable at-will. Both Executive and the Company shall have the right to terminate Executive's employment with Company at any time with or without Cause, and with or without advance notice, except as set forth in Section 6.3. The at-will nature of Executive's employment with Company may only be changed in an express written agreement signed by Executive and a duly authorized member of the Board.

6.2 Termination by Company for Cause. In the event that the Company terminates Executive's employment for Cause, the Executive will only be entitled to receive Executive's annual base salary and benefits through the time of termination, and the Company thereafter shall have no further obligation under this Agreement to Executive. For purposes of this Agreement, "*Cause*" shall mean (i) conviction (including a guilty or no contest plea) on a felony indictment or for any misdemeanor involving moral turpitude that adversely affects the Company; (ii) participation in a fraud or act of dishonesty against the Company; (iii) material breach of Executive's duties to the Company, that has not been cured to the reasonable satisfaction of the Board, within thirty (30) days following written notice to Executive (provided that no such notice and cure period will be required if such a breach is not subject to cure); (iv) intentional and material damage to the Company's property; or (v) material breach of the employment agreement or other written agreement with the Company or written policy of the Company.

6.3 Executive's Voluntary Resignation. Executive may voluntarily terminate Executive's employment with the Company, with or without Good Reason (as hereinafter defined), upon fourteen (14) days' advance written notice to the Company. In the event that Executive terminates Executive's employment with the Company without Good Reason, the Executive will only be entitled to receive Executive's annual base salary and benefits through the date of termination, and the Company thereafter shall have no further obligation under this Agreement to Executive. Executive may resign Executive's employment for Good Reason so long as Executive tenders Executive's resignation to Company within thirty (30) days after the occurrence of the event or after Executive first learns of the event which forms the basis for Executive's termination for Good Reason (whichever last occurs), citing with specificity such basis; provided that the Company shall have a period of thirty (30) days to cure any claimed Good Reason event, and if so cured, Good Reason shall be deemed not to have occurred. For purposes of this Agreement, "***Good Reason***" shall mean any one of the following events which occurs on or after the commencement of Executive's employment, in each case without Executive's consent: (i) a material reduction in Executive's duties, responsibilities or authority or any decrease in Executive's Base Salary of more than twenty (20%) percent; (ii) any change in Executive's position as the President and Chief Executive of Company or any change in Executive's obligation to report to the Board as set forth in Section 1(a); (iii) any requirement that the Executive relocate to a work site more than fifty (50) miles from the Company's current location in Plymouth Township, Michigan; or (iv) any material breach by Company of its obligations under this Agreement.

6.4 Termination for Death or Disability. Executive's employment with Company will be automatically terminated in the event of Executive's death, or any illness, disability or other incapacity that renders Executive physically or mentally unable regularly to perform Executive's duties hereunder for a period of three (3) consecutive months. For purposes of this Agreement, Executive shall be disabled, mentally or physically, in the event Executive is unable, with or without accommodations required by law, to perform the essential functions of his duties to Company as prescribed hereunder, as reasonably determined by the Board based upon a medical evaluation of Executive paid for by Company (and Executive agrees to reasonably cooperate with such medical evaluation). Upon such termination, Executive or Executive's heirs, successors, and assigns shall not receive any compensation or benefits other than payment of

accrued salary and vacation and such other benefits as expressly required in such event by applicable law or the terms of applicable benefit plans. All stock options and any other stock awards held by Executive shall cease vesting as of the date of termination and shall be exercisable thereafter only pursuant to the terms of Company's then-governing stock option plan and any separate stock award agreement between Company and Executive, which separate stock award shall control in the event of any conflict with such plan.

6.5 Severance Upon Termination Without Cause or With Good Reason. In the event that Executive's employment with Company terminates without Cause or with Good Reason, Company shall pay Executive, as his sole severance benefits, severance in the amount of one (1) year of Executive's Base Salary, less standard deductions and withholdings payable over the course of one (1) year in accordance with the Company's standard payroll procedures, provided that Executive promptly resigns from the Company's Board of Directors and timely executes and allows to become effective a release agreement in the form attached as Exhibit B.

7. Restrictive Covenants.

7.1 Noncompetition and Other Work Activities. In order to protect the trade secrets and confidential and proprietary information of the Company, during his employment and for a period of one (1) year following the termination of Executive's employment with the Company, Executive agrees that Executive will not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever:

(a) engage in, become financially interested in, be employed by or have any business connection with any enterprise or division of an enterprise located in the United States or any other country, territory or region in which the Company conducts a business whose principal focus is the discovery and/or development of lipid regulating therapies (each a "***Competing Business***"); provided, however, that Executive may own less than two percent (2%) of the voting stock of such enterprise that is registered under Section 12 of the Securities Exchange Act of 1934, as amended;

(b) directly or indirectly solicit, entice, induce, or encourage employees of the Company to leave the Company to accept work with Executive, any entity in which Executive has any interest, or a Competing Business; or

(c) directly or indirectly solicit any customer or prospective customer of the Company on Executive's own behalf or on behalf of any Competing Business for the sale of drug therapies that compete with those provided by the Company.

7.2 Reasonable Scope of Noncompete. Executive agrees and acknowledges that the covenants set forth in this Article 7 are reasonable and valid in geographical and temporal scope and in all other respects and are reasonably necessary for the protection of the Company. If any court determines that any covenant set forth in this Article 7, or any portion of any such covenant, is unenforceable because of its duration or scope, such court shall have the power to

reduce such duration or scope, as the case may be, and to enforce such covenant or portion in such reduced form.

7.3 Legal and Equitable Remedies. Executive understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Executive's breach of his obligations (whether individually or together) hereunder. Accordingly, Executive specifically agrees that Company shall be entitled to seek temporary and permanent injunctive relief, specific performance, and other equitable relief to enforce the provisions of this Article 7 of this Agreement and that such relief may be granted without the necessity of proving actual damages, and without bond. *Executive acknowledges and agrees that the provisions in this Article 7 are essential and material to this Agreement, and that upon breach of this Article 7 by Executive, Company is entitled to withhold providing payments or consideration, to equitable relief to prevent continued breach, to recover damages and to seek any other remedies available to Company.* This provision with respect to injunctive relief shall not, however, diminish the right of Company to claim and recover damages or other remedies in addition to equitable relief.

7.4 Extension of Time. In the event that Executive breaches any covenant, obligation or duty in this Article 7, any such duty, obligation, or covenants to which the parties agreed by this Article 7 shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The duration and length of Executive's duties and obligations as agreed by this Article 7 shall continue upon the effective date of any such settlement, or judicial or other resolution.

7.5. Intellectual Property Rights. Executive hereby confirms that he has executed and delivered to the Company the Employee Proprietary Information and Inventions Assignment in the Company's standard form, which agreement is in effect and shall survive the termination of Executive's employment.

8. Arbitration. With the sole exception of any claim by the Company against Executive to enforce Article 7 of this Agreement, which claim the parties hereby agree may be brought in any court of competent jurisdiction in the State of Michigan, in the event of any dispute or claim relating to or arising out of Executive's employment relationship with the Company or the termination of that relationship (including, but not limited to, any claims of wrongful termination or age, sex, race, disability or other discrimination) where the relief sought is the payment of money, Executive and the Company agree that all such disputes shall be fully and finally resolved by binding arbitration conducted before a single neutral arbitrator selected by, and conducted pursuant, to the rules for arbitration of employment disputes by the American Arbitration Association. Any such claim shall be arbitrated in Ann Arbor, Michigan. The arbitrator shall permit adequate discovery and is empowered to award all remedies otherwise available in a court of competent jurisdiction and any judgment rendered by the arbitrator may be entered by any court of competent jurisdiction. The arbitrator shall issue an award in writing and state the essential findings of fact and conclusions of law on which the award is based. By executing this Agreement, Executive and the Company are both waiving the right to a jury trial with respect to any such disputes. The arbitrator shall have the authority to allocate fees (including attorney fees) and all other cost and expenses between the parties, including the

ability to award such fees, costs and expenses to the prevailing party. Executive agrees that unless a shorter period of limitations applies, any claim, suit, action, administrative charge or other proceeding arising out of Executive's employment or the termination of Executive's employment, without limitation, claims arising under State or Federal civil rights statutes, must be brought or asserted by Executive within one year of the event giving rise to the claim or be forever barred. Executive expressly waives any longer statute or other period of limitations to the contrary.

9. Notice. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission) or the third day after mailing by first class mail, to Company at its primary office location and to Executive at Executive's address as listed on Company payroll (which address may be changed by written notice).

10. Miscellaneous.

(a) The provisions of this Agreement are severable and if any one or more provisions may be determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provision to the extent enforceable in any jurisdiction nevertheless shall be binding and enforceable.

(b) The rights and obligations of Company under this Agreement shall inure to the benefit of, and shall be binding on, Company and its successors and assigns. This Agreement is personal to Executive and he may not assign his obligations under this Agreement in any manner whatsoever and any purported assignment shall be void. For all purposes under this Agreement, the term "Company" shall include any successor to Company's business and/or assets that assumes Company's rights and obligations under this Agreement.

(c) The failure of any party to enforce any provision or protections of this Agreement shall not in any way be construed as a waiver of any such provision or provisions as to any future violations thereof, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted the parties herein are cumulative and the waiver of any single remedy shall not constitute a waiver of such party's right to assert all other legal remedies available to it under the circumstances.

(d) This Agreement sets forth the entire understanding and agreement of Executive and Company with respect to its subject matter and supersedes all prior understandings and agreements, whether written or oral, in respect thereof. No modification, termination or attempted waiver of this Agreement shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its conflicts of law principles.

(f) Captions and section headings used herein are for convenience and are not a part of this Agreement and shall not be used in construing it.

(g) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies (whether photostatic, facsimile or otherwise) of this Agreement may be made and relied upon to the same extent as an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company and Executive have executed this Employment Agreement as of the date set forth above.

COMPANY:

ESPERION THERAPEUTICS, INC., a Delaware corporation

By: /s/ Roger S. Newton
Name: Roger S. Newton
Its: President and Chief Executive Officer

EXECUTIVE:

/s/ Timothy Mayleben
TIMOTHY MAYLEBEN

Exhibit A
Other Board Positions

Aastrom Bioscience, Inc.
DeNovo Sciences, Inc.
Intellijject Corporation
Lycera Corporation
Marinus Pharmaceuticals, Inc.
University of Michigan Wolverine Venture Fund

Exhibit B
Form of Release

RELEASE AGREEMENT

Timothy Mayleben ("***Executive***") and Esperion Therapeutics, Inc. ("***Company***") each acknowledge that (i) Executive and Company are party to an Employment Agreement dated , 2012 (the "***Employment Agreement***"), pursuant to which certain provisions thereof expressly survive the cessation of Executive's employment thereunder, (ii) Executive is party to that certain Proprietary Information and Inventions Agreement (the "***Proprietary Information and Inventions Agreement***"), certain provisions of which expressly survive the cessation of Executive's employment with Company; and (iii) Executive and Company may be party as of the date of this Release Agreement of one or more option agreements and/or related option grant notices (collectively, the "***Stock Rights Instruments***"). The parties further acknowledge that nothing in this Release Agreement shall: (i) release Executive or Company from violations occurring after the cessation of Executive's employment with Company of any of their respective obligations under any of the provisions of the Employment Agreement (including, without limitation, Company's obligation to provide severance or benefits to Executive) or the Proprietary Information and Inventions Agreement which survive the cessation of Executive's employment with Company; (ii) eliminate Executive's rights under any of the provisions of the Employment Agreement which survive the cessation of Executive's employment with Company; and (iii) affect Executive's or Company's rights or obligations with respect to the Stock Rights Instruments.

In consideration for the severance benefits actually provided to Executive pursuant to the Employment Agreement, Executive hereby releases, acquits and forever discharges Company, its parents and subsidiaries, and its and their respective officers, directors, agents, servants, employees, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, disclosed and undisclosed (other than any claim for indemnification Executive may have as a result of any action against Executive based on Executive's employment with Company, or as otherwise provided in applicable insurance policies or other agreements) arising out of or in any way related to events, acts or conduct occurring on or prior to the date Executive executes this Release Agreement, including, without limitation, any claims arising out of or in any way connected with the Employment Agreement, Executive's employment with Company or the termination of that employment, including but not limited to, claims of intentional and negligent infliction of emotional distress, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("***ADEA***"); the federal Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act, as amended; Michigan laws relating to employment, including, without limitation, the Elliot-Larsen Civil Rights Act, the Michigan Persons with Disabilities Civil Rights Act, the Michigan Whistleblowers Protection Act and Michigan Wage and Fringe Benefit Statute; tort law; contract law; wrongful discharge;

---

discrimination; fraud; defamation; emotional distress; and breach of the implied covenant of good faith and fair dealing.

The Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under ADEA. Executive also acknowledges that the consideration given for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that (A) Executive's waiver and release do not apply to any rights or claims that may arise after Executive executes this Release Agreement; (B) Executive has the right to consult with an attorney prior to executing this Release Agreement; (C) Executive has twenty-one (21) days to consider this Agreement (although Executive may choose to voluntarily execute this Release Agreement earlier); (D) Executive has seven (7) days following the execution of this Release Agreement by the parties to revoke the Release Agreement in a written notice of revocation provided to the Chairman of the Company's Board of Directors; and (E) this Release Agreement shall not be effective until the date upon which the revocation period has expired, which shall be the eighth day after this Release Agreement is executed by the Executive, provided that Company has also executed this Release Agreement by that date.

EXECUTIVE ACKNOWLEDGES AND AGREES THAT HIS RELEASE OF CLAIMS INCLUDES, BUT IS NOT LIMITED TO, ANY UNKNOWN OR UNSUSPECTED CLAIMS.

THIS IS A RELEASE – READ BEFORE SIGNING

ESPERION THERAPEUTICS, INC.

By: _____

Name: _____

Title: _____

Date: _____

TIMOTHY MAYLEBEN

Date: _____

Exhibit 10.5

January 13, 2012

BY EMAIL

Noah Rosenberg, M.D.
ADDRESS

Re: Executive Employment Agreement

Dear Noah:

On behalf of Esperion Therapeutics, Inc. (the "Company"), I am pleased to offer you the position of the Company's Chief Medical Officer ("CMO"). The terms and conditions of your employment are set forth in this Executive Employment Agreement ("Agreement").

1. **Position**. As CMO, you will report to the Company's President and Chief Executive Officer (the "CEO"). This is a full-time exempt position. It is understood and agreed that, while you render services to the Company, you will not engage in any other employment, consulting or other business activities (whether full-time or part-time). Notwithstanding the foregoing, you may engage in religious, charitable, or other community activities so long as such services or activities do not interfere or conflict with your obligations to the Company.

2. **Start Date**. Your employment with the Company will begin on February 6, 2012, unless another date is mutually agreed upon by you and the Company. For purposes of this Agreement, the actual first day of your employment with the Company shall be referred to as the "Start Date".

3. **Salary**. The Company will pay you a salary at the rate of $335,000 per year, payable in accordance with the Company's standard payroll schedule and subject to applicable deductions and withholdings. Your salary will be subject to periodic review and adjustments at the Company's discretion.

4. **Sign-On Bonus**. The Company will pay you $15,000, less applicable deductions and withholdings on the Company's next regular payroll date after the Start Date (the "Sign-On Bonus"). It is understood and agreed that you will not elect to participate in the Company's group medical insurance programs ("Medical Benefits") until the Company's open enrollment period in August 2012 and that, if you elect to enroll in the Medical Benefits prior to that time, you will forfeit the Sign-On Bonus.

5. **Annual Bonus Compensation**. You will be eligible for a bonus targeted at 35% of your base salary. The actual amount of the bonus will be determined by the CEO and/or the

---

Compensation Committee of the Board of Directors (the "Compensation Committee") in its discretion, based on their assessment of your performance and that of the Company against goals established by the CEO and the Compensation Committee and communicated to you. You must be employed on December 31 of each year to earn a bonus for that year and, if earned, the bonus will be paid on or around the following February 1, but no later than March 15.

6. **Equity.** The Company will recommend that the Company's Board of Directors (the "Board") grant you: (i) an option to purchase 380,000 shares of the Company's common stock (equal to approximately 1.1% of the Company's equity on a fully-diluted basis as of the date of this Agreement) in connection with the commencement of your employment (the "Initial Option Grant") and (ii) an option to purchase an additional 100,000 shares of the Company's common stock in connection with your forfeiture of your bonus from your current employer (the "Supplemental Option Grant"). The exercise price for the Initial Option Grant and the Supplemental Option Grant shall be equal to the fair market value per share of the common stock on the date of such grants, as determined by the Board. The option shares issued pursuant to the Initial Option Grant and the Supplemental Option Grant shall be subject to vesting and other terms and conditions set forth in the Company's 2008 Incentive Option and Restricted Stock Plan, as may be amended, and associated stock option agreements (collectively the "Equity Documents"), including that 25% of the option shares shall vest on the first anniversary of the Start Date and the remainder shall vest ratably on the first day of each of the following 36 months, provided in the event your employment is terminated by the Company without Cause or you resign from your employment for Good Reason and you satisfy the Termination Benefits Conditions, the then unvested portion of the Supplemental Option Grant shall accelerate and become fully vested as of the Date of Termination (all as defined below). Further, you will be eligible to participate in Change in Control option share acceleration rights to the same extent they are provided to other similarly situated senior executives at the Company.

7. **Temporary Living Expenses**. It is understood and agreed that you will live in and provide services from your current residence, but that you will travel to work at the Company's offices in the Plymouth, Michigan area on an as needed basis, with the expectation that you will be in Michigan 8-10 workdays per month. The Company shall reimburse you for the cost of expenses incurred in connection with traveling to and staying in Michigan, including temporary housing at an agreed-upon location, travel expenses (coach airfare), a per diem meal allowance and other reasonable related items (collectively "Temporary Living Expenses"). Appropriate supporting documentation (i.e. itemized receipts) of the Temporary Living Expenses must be submitted within 45 days after the Temporary Living Expenses were incurred and prior to reimbursement. The Company will determine in its reasonable judgment what, if any, of your reimbursed Temporary Living Expenses are for nondeductible expenses in accordance with applicable law and will comply with associated withholding and tax reporting obligations

8. **Business Travel/Expenses**. It is understood that, in addition to your time in Michigan, you will be required to travel in connection with your job duties. The Company will reimburse you for travel and other business expenses consistent with the terms and conditions of the Company's expense reimbursement policies.

---

9. **Benefits/Vacation/Time Off**. You will be eligible to participate in the employee benefits and insurance programs generally made available to its full-time employees, subject to the consequences of the timing of your election to participate in the Company's Medical benefits. as set forth in Section 4. Details of these benefits programs, including mandatory employee contributions, and, if applicable, waiting periods, will be made available to you when you start. You will be entitled to earn up to three (3) weeks of vacation per year and five (5) sick days. You will also be eligible to take time off, as business permits, when the Company is closed between Christmas and New Year's Day, and take advantage of the summer work hours program. The Company's benefit programs may be amended from time to time.

10. **At-will Employment/Accrued Obligations**. Your employment is "at will," meaning you or the Company may terminate it at any time for any or no reason. In the event of the termination of your employment for any reason, the Company shall pay you the "Accrued Obligations," defined as (1) your base salary through the Date of Termination, (2) an amount equal to the value of your accrued unused vacation days, and (3) the amount of any expenses properly incurred by you on behalf of the Company and documented prior to any such termination and not yet reimbursed.

11. **Termination Benefits**. In the event the Company terminates your employment for any reason, the Company shall pay you the Accrued Obligations. In addition, in the event the Company terminates your employment without Cause or you resign from your employment for Good Reason (both as defined below) and provided you: (i) enter into, do not revoke, and comply with the terms of a separation agreement in a form acceptable to the Company which shall include a release against the Company and

related persons and entities (the "Release"); (ii) resign from any and all positions, including, without implication of limitation, as a director, trustee, and officer, that you then hold with the Company and any affiliate of the Company; and (iii) return all Company property and comply with any instructions related to deleting and purging duplicates of such Company property (collectively the "Termination Benefits Conditions"), the Company will provide you with the following "Termination Benefits": (a) continue your base salary for the six (6) month period that immediately follows the Date of Termination (the "Salary Continuation Payments"); (b) continuation of group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and you as in effect on the Date of Termination until the earlier of (i) the date that is six (6) months after the Date of Termination; and (ii) the date you become eligible for health benefits through another employer or otherwise become ineligible for COBRA, and (c) a pro-rated bonus based on the Date of Termination, provided the CEO and the Compensation Committee assess your performance and that of the Company through the Date of Termination against established goals and determine that you are entitled to a pro-rated bonus. The Salary Continuation Payments shall commence within 60 days after the Date of Termination and shall be made on the Company's regular payroll dates; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Salary Continuation Payments shall begin to be paid in the second calendar year. In the event you miss a regular payroll period between the Date of Termination and first Salary Continuation Payment date, the

first Salary Continuation Payment shall include a "catch up" payment. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended, each Salary Continuation Payment is considered a separate payment. If you are entitled to a pro-rated bonus pursuant to Section 11(c), it shall be paid at the time the Company pays annual bonuses to the Company's other senior executives (on or around the February 1, but no later than March 15 following the applicable bonus year).

12. **Termination of Employment as a result of Death, Disability, Due to your Resignation Without Good Reason or Termination by the Company for Cause**. In the event your employment is terminated as a result of your (i) death, (ii) disability, (iii) resignation without Good Reason or (iv) termination for Cause by the Company, you will be entitled to the Accrued Obligations but you will not be entitled to Termination Benefits.

13. **Confidential Information and Restricted Activities**. By signing this Agreement, you represent that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you pursuant to the Company's Employee Noncompetition, Nonsolicitation, Confidentiality and Assignment Agreement (the "Restrictive Covenant Agreement") attached as Exhibit A, the terms of which are incorporated by reference herein. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its Affiliates, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, if were you to breach any of the covenants contained in this the Restrictive Covenant Agreement, in addition to the Company's other legal and equitable remedies, the Company may suspend or cease any Termination Benefits to which you might otherwise be entitled. Any such suspension or termination of the Termination Benefits by the Company in the event of a breach by you shall not affect your ongoing obligations to the Company.

14. **Definitions**. For purposes of this Agreement:

"Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

"Cause" means: (i) conduct by you in connection with your service to the Company that is fraudulent, unlawful or grossly negligent; (ii) your material breach of your material responsibilities to the Company or your willful failure to comply with reasonable and lawful directives of the CEO or written policies of the Company; (iii) breach by you of your representations, warranties, covenants and/or obligations under this Agreement; (iv) material misconduct by you which seriously discredits or damages the Company, and/or (v) nonperformance or unsatisfactory performance of your material duties or responsibilities to the Company as determined in good faith by the Company after written notice to you and a reasonable opportunity to cure that shall not exceed thirty (30) days.

"Good Reason" means that you have complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following actions undertaken by the Company

without your express prior written consent: (i) the material diminution in your responsibilities, authority and function; or (ii) a reduction in your base salary, provided, however, that Good Reason shall not be deemed to have occurred in the event of a reduction in your base salary that is pursuant to a salary reduction program affecting substantially all of the senior level employees of the Company and that does not adversely affect you to a greater extent than other similarly situated employees. "Good Reason Process" means that (i) you have reasonably determined in good faith that a "Good Reason" condition has occurred; (ii) you have notified the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you have cooperated in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

15. **Taxes; Section 409A**. All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You hereby acknowledge that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its board of directors related to tax liabilities arising from your compensation. Anything in this Agreement to the contrary notwithstanding, if at the time of your separation from service within the meaning of Section 409A of the Code, the Company determines that you are a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you becomes entitled to under this Agreement on account of your separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after your separation from service, or (B) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon your termination of employment, then such payments or benefits shall be payable only upon your

"separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). The Company and you intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent

that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The Company makes no representation or warranty and shall have no liability to you or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

16. **Interpretation, Amendment and Enforcement**. This Agreement, including the Restrictive Covenant Agreement and the Equity Documents, constitute the complete agreement between you and the Company, contain all of the terms of your employment with the Company and supersede any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by Michigan law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in the State of Michigan in connection with any Dispute or any claim related to any Dispute.

17. **Assignment**. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided*, however, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenant Agreement) without your consent to one of its Affiliates or to any Person with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

18. **Miscellaneous**. This Agreement sets forth the entire agreement between you and the Company and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and a duly authorized officer or Board member of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

19. **Other Terms**. This offer is subject to background and reference checks that are satisfactory to the Company. By signing this letter agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would or may prohibit you from performing your duties for the Company As with all employees, our offer to you is also contingent on your submission of satisfactory proof of your identity and your legal authorization to work in the United States.

We are excited about the prospect of having you join the Company. We look forward to receiving a response from you as soon as possible acknowledging, by signing below, that you have accepted this Agreement.

Very truly yours,

By: /s/ Roger S. Newton
Roger S. Newton
President & Chief Executive Officer

I have read and accept this employment offer:

/s/ Noah Rosenberg, M.D.
Noah Rosenberg, M.D.

Dated: 1/13/2012

ESPERION THERAPEUTICS, INC.

Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement

In consideration and as a condition of my employment or continued employment by Esperion Therapeutics, Inc. (along with its subsidiaries and affiliates of the "Company"), I agree as follows:

1. **Proprietary Information.** I agree that all information, whether or not in writing, concerning the Company's business, technology, business relationships or financial affairs which the Company has not released to the general public (collectively, "Proprietary Information") is and will be the exclusive property of the Company. By way of illustration, Proprietary Information may include information or material which has not been made generally available to the public, such as: (a) *corporate information*, including plans, strategies, methods, policies, resolutions, negotiations or litigation; (b) *marketing information*, including strategies, methods, customer identities or other information about customers, prospect identities or other information about prospects, or market analyses or projections; (c) *financial information*, including cost and performance data, debt arrangements, equity structure, investors and holdings, purchasing and sales data and price lists; (d) *operational and technological information*, including plans, specifications, manuals, forms, templates, software, designs, methods, procedures, diagrams, schematics, notes, data, clinical trial design, formulae, molecules, organisms, cell lines, gene sequences, samples, chemical compounds, assays, biological materials, laboratory materials, discoveries, inventions, improvements, concepts and ideas; and (e) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, compensation structure, performance evaluations and termination arrangements or documents. Proprietary Information also includes information received in confidence by the Company from its customers or suppliers or other third parties.

2. **Recognition of Company's Rights.** I will not, at any time, without the Company's prior written permission, either during or after my employment, disclose any Proprietary Information to anyone outside of the Company, or use or permit to be used any Proprietary Information for any purpose other than the performance of my duties as an employee of the Company. I will cooperate with the Company and use my best efforts to prevent the unauthorized disclosure of all Proprietary Information. I will deliver to the Company all copies of Proprietary Information in my possession or control upon the earlier of a request by the Company or termination of my employment.

3. **Rights of Others.** I understand that the Company is now and may hereafter be subject to non-disclosure or confidentiality agreements with third persons which require the Company to protect or refrain from use of Proprietary Information. I agree to be bound by the terms of such agreements in the event I have access to such Proprietary Information.

4. **Commitment to Company; Avoidance of Conflict of Interest.** While an employee of the Company, I will devote my full-time efforts to the Company's business and I will not engage in any other business activity that conflicts with my duties to the Company. I will advise the CEO of the Company or his or her nominee at such time as any activity of either the Company or another business presents me with a conflict of interest or the appearance of a conflict of interest as an employee of the Company. I will take whatever action is requested of me by the Company to resolve any conflict or appearance of conflict which it finds to exist.

5. **Developments.** I will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works and other works of authorship (collectively "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by me (alone or jointly with others) or under my direction during the period of my employment. I acknowledge that all work performed by me is on a "work for hire" basis, and I hereby do assign and transfer and, to the extent any such assignment cannot be made at present, will assign and transfer, to the Company and its successors and assigns all my right, title and interest in all Developments that (a) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured or sold by the Company or which may be used with such products or services; or (b) result from tasks assigned to me by the Company; or (c) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories

worldwide and under any international conventions ("Intellectual Property Rights").

To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of Developments that I have, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of my employment with the Company that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement ("Prior Inventions"). If disclosure of any such Prior Invention would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Prior Inventions in Exhibit A but am only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. I have also listed on Exhibit A all patents and patent applications in which I am named as an inventor, other than those which have been assigned to the Company ("Other Patent Rights"). If no such disclosure is attached, I represent that there are no Prior Inventions or Other Patent Rights. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine or other work done for the Company, I hereby grant to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, I will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent.

This Agreement does not obligate me to assign to the Company any Development which, in the sole judgment of the Company, reasonably exercised, is developed entirely on my own time and does not relate to the business efforts or research and development efforts in which, during the period of my employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, I will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. I understand that to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this paragraph 5 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. I also hereby waive all claims to any moral rights or other special rights which I may have or accrue in any Company-Related Developments.

6. **Documents and Other Materials.** I will keep and maintain adequate and current records of all Proprietary Information and Company-Related Developments developed by me during my employment, which records will be available to and remain the sole property of the Company at all times.

All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, diagrams, schematics or other written, photographic or other tangible material containing Proprietary Information, whether created by me or others, which come into my custody or possession, are the exclusive property of the Company to be used by me only in the performance of my duties for the Company. Any property situated on the Company's premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of my employment for any reason, I will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Proprietary Information, and other materials of any nature pertaining to the Proprietary Information of the Company and to my work, and will not take or keep in my possession any of the foregoing or any copies.

7. **Enforcement of Intellectual Property Rights.** I will cooperate fully with the Company, both during and after my employment with the Company, with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. I will sign, both during and after the term of this Agreement, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure my signature on any such papers, I hereby irrevocably designate and appoint each officer of the Company as my agent and attorney-in-fact to execute any such papers on my behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

8. **Non-Competition and Non-Solicitation.** In order to protect the Company's Proprietary Information and good will, during my employment and for a period of twelve (12) months following the termination of my employment for any reason (the "Restricted Period"), I will not directly or indirectly, whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, engage, participate or invest in any business activity anywhere in the United States that (i) researches, develops, manufactures, licenses or markets AMPk (AMP-activated protein kinase) targeted products and/or apolipoprotein A-I variants of such

products or (ii) researches, develops, manufactures, licenses or markets any products, or performs any services, that are otherwise competitive with the products or services of the Company, or products or services that the Company has under development or that are the subject of active planning at any time during my employment; provided that this shall not prohibit any possible investment in publicly traded stock of a company representing less than one percent of the stock of such company. In addition, during the Restricted Period, I will not, directly or indirectly, in any manner, other than for the benefit of the Company, (a) call upon, solicit, divert or take away any of the customers, business or prospective customers of the Company or any of its suppliers, and/or (b) solicit, entice or attempt to persuade any other employee or consultant of the Company to leave the services of the Company for any reason or otherwise participate in or facilitate the hire, directly or through another person or entity, of any person who is employed or engaged by the Company or who was employed or engaged by the Company within six months of the attempt to hire such person. I acknowledge and agree that if I violate any of the provisions of this paragraph 8, the running of the Restricted Period will be extended by the time during which I engage in such violation(s).

9. **Government Contracts.** I acknowledge that the Company may have from time to time agreements with other persons or with the United States Government or its agencies which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. I agree to comply with any such obligations or restrictions upon the direction of the Company. In addition to the rights assigned under paragraph 5, I also assign to the Company (or any of its nominees) all rights which I have or acquired in any Developments, full title to which is required to be in the United States under any contract between the Company and the United States or any of its agencies.

10. **Prior Agreements.** I hereby represent that, except as I have fully disclosed previously in writing to the Company, I am not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of my employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. I further represent that my performance of all the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

11. **Remedies Upon Breach.** I understand that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and I consider them to be reasonable for such purpose. Any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefore, in the event of such breach, the Company, in addition to such other remedies which may be available, will be entitled to specific performance and other injunctive relief, as well as attorneys fees in the event a court of competent jurisdiction determines that I breached this Agreement.

12. **Use of Voice, Image and Likeness.** I give the Company permission to use my voice, image or likeness, with or without using my name, for the purposes of advertising and promoting the Company, or for other purposes deemed appropriate by the Company in its reasonable discretion, except to the extent expressly prohibited by law.

13. **Publications and Public Statements.** I will obtain the Company's written approval before publishing or submitting for publication any material that relates to my work at the Company and/or incorporates any Proprietary Information. To ensure that the Company delivers a consistent message about its products, services and operations to the public, and further in recognition that even positive statements may have a detrimental effect on the Company in certain securities transactions and other contexts, any statement about the Company which I create, publish or post during my period of employment and for six (6) months thereafter, on any media accessible by the public, including but not limited to electronic bulletin boards and Internet-based chat rooms, must first be reviewed and approved by an officer of the Company before it is released in the public domain.

14. **No Employment Obligation.** I understand that this Agreement does not create an obligation on the Company or any other person to continue my employment. I acknowledge that, unless otherwise agreed in a formal written employment agreement signed on behalf of the Company by an authorized officer, my employment with the Company is at will and therefore may be terminated by the Company or me at any time and for any reason.

15. **Survival and Assignment by the Company.** I understand that my obligations under this Agreement will continue in accordance with its express terms regardless of any changes in my title, position, duties, salary, compensation or benefits or other terms and conditions of employment. I further understand that my obligations under this Agreement will continue following the termination of my employment regardless of the manner of such termination and will be binding upon my heirs, executors and administrators. The Company will have the right to assign this Agreement to its affiliates, successors and assigns. I expressly consent to be bound by the provisions of this Agreement for the benefit of the Company or any parent, subsidiary or affiliate to whose employ I may be transferred without the necessity that this Agreement be resigned at the time of such transfer.

16. **Disclosure to Future Employers.** I will provide a copy of this Agreement to any prospective employer, partner or coventurer prior to entering into an employment, partnership or other business relationship with such person or entity.

17. **Severability.** In case any provisions (or portions thereof) contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision (or portion thereof) had never been contained herein. If, moreover, any one or more of the provisions (or portions thereof) contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

18. **Interpretation.** This Agreement will be deemed to be made and entered into in the State of Michigan, and will in all respects be interpreted, enforced and governed under the laws of the State of Michigan. I hereby agree to consent to personal jurisdiction of the state and federal courts situated within Washtenaw County, Michigan for purposes of enforcing this Agreement, and waive any objection that I might have to personal jurisdiction or venue in those courts.

[End of Text]

I UNDERSTAND THAT THIS AGREEMENT AFFECTS IMPORTANT RIGHTS. BY SIGNING BELOW, I CERTIFY THAT I HAVE READ IT CAREFULLY AND AM SATISFIED THAT I UNDERSTAND IT COMPLETELY.

IN WITNESS WHEREOF, the undersigned has executed this agreement as a sealed instrument as of the date set forth below.

Signed: _____
(Employee's full name)

Type or print name: _____ Date: _____

EXHIBIT A

To: Esperion Therapeutics, Inc.

From:

Date:

SUBJECT: **Prior Inventions**

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment by the Company that have been made or conceived or first reduced to practice by me alone or jointly with others prior to my engagement by the Company:

- o No inventions or improvements
- o See below: _____
- o Additional sheets attached

The following is a list of all patents and patent applications in which I have been named as an inventor:

- o None
- o See below: _____

Exhibit 10.6

January 4, 2010

Dear Troy Ignelzi:

We are pleased to offer you employment with Esperion Therapeutics, Inc., commencing January 4, 2010. With the re-start of Esperion, we have a unique opportunity to again create value for ourselves and our shareholders. It is expected that you will respect the core values of individual dignity, vibrant teamwork and excellence in science, and that these core values will create a corporate environment where you can thrive in your job and derive satisfaction from a hard day's work. The collective success of all of our efforts will therefore lead to the collective success of Esperion. I welcome you as a colleague into this new enterprise called Esperion Therapeutics, Inc.

The terms of your offer are as follows:

Your initial position with us will be as Executive Director of Finance and Business Development reporting to Roger Newton, President and CEO. Your annualized salary will be $150,000 paid in semi-monthly installments in accordance with our normal payroll procedures. During your employment, you will be entitled to participate in the benefit programs and arrangements that we make available to our employees, including paid vacation and sick leave, contributory and non-contributory welfare and benefit plans, disability plans, and medical, death benefit and life insurance plans for which you are eligible under the terms of those plans. Specifically, you will be entitled to three weeks (15 days) of paid vacation prorated in the first year, increasing based on the length of your employment. Upon joining us, you will also receive options to purchase 150,000 common shares in Esperion Therapeutics, Inc. in accordance with the terms of our incentive stock option plan for employees. Based on the company's performance, you may be entitled to up to 25% of your base salary as an annual bonus. Additionally, we would like to offer you an allowance of $800 per month for temporary living expenses during the first six (6) months of your employment. This allowance can be used at your discretion for temporary housing and/or other relocation expenses, but is not to exceed $800 per month.

Your employment will be subject to the terms of the Esperion Colleague Handbook. In addition, your job duties, title, responsibility and reporting level, compensation and benefits, as well as personnel policies and procedures, are subject to change.

Your employment is "at will." This means that you have the right to end your employment relationship at any time, for any reason, or even no reason. We, of course, have

---

the same right. No one has the authority to modify this at-will employment relationship except our President, and then only in writing addressed specifically to you.

We want to welcome you to Esperion, and wish you every success in contributing to our growth and progress. We are pleased to have you as a member of our team.

Very truly yours,

/s/ Roger S. Newton
Roger S. Newton, President and CEO

I accept employment with Esperion Therapeutics, Inc. on the terms set forth in this letter. Further, in consideration of my employment, I agree that, unless a shorter period of limitations applies, any claim, suit action or other proceeding arising out of my employment or the termination of my employment, including but not limited to claims arising under State or Federal civil rights statutes, must be brought or asserted by me within one year of the event giving rise to the claim or be forever barred. I expressly waive any longer statute or other period of limitations to the contrary.

/s/ Troy Ignelzi
Troy Ignelzi

Date: 1/12/10

Exhibit 10.7

EXECUTION COPY

LICENSE AGREEMENT

between

PFIZER, INC.

and

ESPERION THERAPEUTICS, INC.

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "*Agreement*"), dated as of April 28, 2008 (the "*Effective Date*"), as amended on November 17, 2010, is by and between Esperion Therapeutics, Inc., a Delaware corporation ("*Esperion*"), and Pfizer, Inc., a Delaware corporation ("*Pfizer*"). Esperion and Pfizer are individually referred to herein as a "*Party*", and collectively referred to herein as the "*Parties*".

BACKGROUND

On the date hereof, Pfizer and HDL Therapeutics. Inc. ("*Buyer*") entered into a certain Stock Purchase Agreement (the "*Stock Purchase Agreement*"), pursuant to which Pfizer is selling to Buyer all of the issued and outstanding shares of capital stock of its subsidiary Esperion. Further, on the date hereof, Pfizer and Esperion entered into a certain Asset Transfer Agreement (the "*Esperion Transfer Agreement*") concerning the pre-Closing transfer by Pfizer to Esperion of certain assets of Esperion referred to as ETC-1002 as more fully defined in the Esperion Transfer Agreement (the "*Esperion Program*"), and Pfizer and Esperion entered into a certain Asset Transfer Agreement (the "*Pfizer Transfer Agreement*," together with the Esperion Transfer Agreement, the "*Transfer Agreements*") concerning the pre-Closing transfer by Esperion to Pfizer of certain assets of Pfizer referred to as ETC-216, ETC-588 and ETC-642 as more fully defined in the Pfizer Transfer Agreement (the "*Pfizer Programs*"). Certain Intellectual Property relating to the Esperion Program remains under the control of Pfizer, and certain Intellectual Property relating to the Pfizer Programs remains under the control of Esperion. Pfizer and Esperion desire to enter into and execute this Agreement concerning the licensing of such certain Intellectual Property;

NOW, THEREFORE the Parties agree as follows:

1. DEFINITIONS

As used in this Agreement all capitalized terms not specifically defined herein shall have the meanings assigned to them in the Transfer Agreements or the Stock Purchase Agreement.

"*Control*" shall mean, with respect to any Intellectual Property, possession of the ability (whether arising by ownership or license) to grant rights, access, a license or a sublicense (as applicable) to such intellectual property as provided for herein without violating the terms of any written agreement with a Third Party entered into prior to the time such Party would be first required hereunder to grant the other Party such right, access, license or sublicense.

"*Esperion Transferred IP*" shall mean all Intellectual Property that is transferred to Esperion under the Esperion Transfer Agreement.

"*Pfizer Transferred IP*" shall mean all Intellectual Property that is transferred to Pfizer under the Pfizer Transfer Agreement.

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934.

---

2. ESPERION LICENSES

2.1 Exclusive License Grant to Esperion. Pfizer hereby grants to Esperion a worldwide, exclusive, fully paid-up license (with the right to sublicense), under all Intellectual Property Controlled by any Pfizer Entity as of the Effective Date (including Pfizer Transferred IP but excluding Esperion Transferred IP) that was practiced by or on behalf of Esperion or any of its employees or consultants at any time prior to or on the Effective Date in the conduct of the Esperion Program (the "*Pfizer Licensed IP*"), to develop, manufacture, have manufactured, sell, offer for sale, import and use the compounds or pharmaceutical products comprising the compounds that arise out of the Esperion Program.

2.2 Non-Exclusive License Grant to Esperion. Pfizer hereby grants to Esperion a worldwide, non-exclusive, fully paid-up license (with the right to sublicense provided such sublicense is only in connection with the license or sublicense of intellectual property owned or controlled by Esperion which is other than the Pfizer Licensed IP), under the Pfizer Licensed IP, to develop, manufacture, have manufactured, sell, offer for sale, import and use compounds or pharmaceutical products comprising compounds which are other than the compounds that arise out of the Esperion Program; provided, however, that the foregoing license grant shall not give Esperion any rights with regard to compounds that arise out of the Pfizer Programs.

2.3 No Technology Transfer. Except as otherwise agreed hereafter by the Parties, nothing in this Agreement shall require Pfizer to provide any technical assistance or otherwise provide any technical support (including technical reports or other access to information) to enable Esperion to utilize the Intellectual Property to which rights are granted hereunder.

3. PFIZER LICENSE

3.1 Grant to Pfizer. Esperion hereby grants to Pfizer:

(a) a worldwide, exclusive, fully paid-up license (with right to sublicense) under all Intellectual Property Controlled by Esperion or its Affiliates as of the Effective Date (including the Esperion Transferred IP but excluding the Pfizer Transferred IP) that was practiced by or on behalf of Pfizer or any of its Affiliates prior to or on the Effective Date in the conduct of the Pfizer Programs (the "*Exclusive Esperion Licensed IP*"), to develop, manufacture, have manufactured, sell, offer for sale, import and use the compounds or pharmaceutical products comprising compounds that arise out of the Pfizer Programs.

(b) Without limiting the generality of the foregoing clause (a), a worldwide, exclusive, fully paid-up sublicense to that Intellectual Property related to the ETC-642 Pfizer Program as set forth in **Schedule A**, attached hereto, to develop, manufacture, have manufactured, sell, offer for sale, import and use the compounds or pharmaceutical products comprising compounds that arise out of the Pfizer Programs.

(c) a worldwide, non-exclusive, fully-paid up license (with right to sublicense to Affiliates without Esperion's consent, and to Third Parties only with Esperion's consent, not to be unreasonably withheld) to practice and use, in each case solely for research purposes, all Intellectual Property Controlled by Esperion as of the Effective Date (including the Esperion Transferred IP), including all such rights that directly relate to the ApoA-1 Target (such Intellectual Property, together with the Exclusive Esperion Licensed IP, the "*Esperion Licensed IP*"). Notwithstanding the foregoing, such license granted under this Section 3.1(c) shall not include the right for Pfizer, or any of its Affiliates and sublicensees, to make, have made, research, develop, use or test any of the compounds now comprising the Esperion Program or any compounds claimed under the same Patents that claim or cover the composition of matter of, or the method of making or using, ETC-1002 (the "*Restricted Compounds*"). Notwithstanding the foregoing restriction, Pfizer may use such Restricted Compounds as a reference standard only (and may make such Restricted Compounds to the extent necessary for such use), *provided*; Pfizer shall not publish any data resulting from any use of the Restricted Compounds. For the purposes of the Agreement, "research purposes" shall consist solely of conducting SAR studies, screening and other internal research activities.

3.2 No Technology Transfer. Except as otherwise agreed hereafter by the Parties, nothing in this Agreement shall require Esperion or any of its Affiliates to provide any technical assistance or otherwise provide any technical support (including technical reports or other access to information) to enable Pfizer to practice any Intellectual Property to which rights are granted hereunder.

3.3 Upstream Licenses. With respect to any Intellectual Property licensed under this Agreement to a Party, which is in-licensed to such granting Party pursuant to one or more license agreements with a Third Party (each, an "*Upstream License*"), the Party receiving the license understands and agrees that it is receiving a sublicense to such Intellectual Property, that such sublicense remains at all times subject to the Upstream License, and any and all royalties, milestones or other amounts owed under such Upstream License that arise from the use of such Intellectual Property by such sublicensed Party shall be the responsibility of such sublicensed Party.

3.4 Rights of First Negotiation. [Reserved].

4. PATENTS AND OTHER INTELLECTUAL PROPERTY.

4.1 Pfizer Intellectual Property. Pfizer shall have the sole right to prosecute, maintain and enforce all Patents included within the Pfizer Licensed IP at its sole expense and discretion (including their issuance and reexamination and the defense of any interference or opposition proceedings). Pfizer shall have the right (but not the obligation) to defend, at its own expense, all suits or proceedings seeking to have any of the Patents included within the Pfizer Licensed IP revoked or declared invalid, unpatentable, unenforceable or not infringed.

Esperion shall have no right to prosecute, maintain, enforce or defend any of the Patents included within the Pfizer Licensed IP.

4.2 Esperion Intellectual Property. Esperion shall have the sole right to prosecute, maintain and enforce all Patents included within the Esperion Licensed IP at its sole expense and discretion (including their issuance and reexamination and the defense of any interference or opposition proceedings). Esperion shall have the right (but not the obligation) to defend, at its own expense, all suits or proceedings seeking to have any of the Patents included within the Esperion Licensed IP revoked or declared invalid, unpatentable, unenforceable or not infringed. Pfizer shall have no rights to prosecute, maintain, enforce or defend any of the Patents included within the Esperion Licensed IP.

5. OTHER COVENANTS

5.1 Mutual Indemnity.

(a) **By Esperion**. Esperion shall defend, indemnify and hold Pfizer and its Affiliates and their respective directors, officers, employees and agents (each, a "*Pfizer Indemnified Party*") , harmless from and against any and all Third Party claims, liabilities, damages, losses, costs and expenses (including the reasonable fees of attorneys and other professionals whose assistance is reasonably required) arising out of Esperion's (and its Affiliates' and sublicensees') exploitation or other use of the Pfizer Licensed IP after Closing or otherwise arising out of the development, preclinical or clinical testing, manufacture, use or sale by or for Esperion, its Affiliates and sublicensees after Closing of products discovered, developed or otherwise commercialized by Esperion, its Affiliates or sublicensees, including claims for personal injury, property damage, and infringement of intellectual property rights by Esperion, its Affiliates or any such sublicensees, except to the extent arising from any Pfizer Indemnified Party's gross negligence or willful misconduct.

(b) **By Pfizer**. Pfizer shall defend, indemnify and hold Esperion and its Affiliates and their respective directors, officers, employees and agents (each, an "*Esperion Indemnified Party*"), harmless from and against any and all Third Party claims, liabilities, damages, losses, costs and expenses (including the reasonable fees of attorneys and other professionals whose assistance is reasonably required) arising out of Pfizer's (and its Affiliates' and sublicensees') exploitation or other use of the Esperion Licensed IP or otherwise arising out of the development, preclinical or clinical testing, manufacture, use or sale by or for Pfizer, its Affiliates and sublicensees of products discovered, developed or otherwise commercialized by Pfizer, its Affiliates or sublicensees, including claims for personal injury, property damage, and infringement of intellectual property rights by Pfizer, its Affiliates or any such sublicensees, except to the extent caused by any Esperion Indemnified Party's gross negligence or willful misconduct.

5.2 Indemnification Procedure. In the event that any entity is seeking indemnification under this Section 5.1, the indemnified party ("*Indemnified Party*"), shall inform the other Party (the "*Indemnifying Party*") of the claim as soon as reasonably practicable after it receives notice of the claim, and shall (i) permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle such claim at its discretion; *provided* that no such settlement may be entered into without the Indemnified Party's consent if such settlement may adversely affect the Indemnified Party's rights hereunder), and (ii) cooperate as requested (at the expense of the Indemnifying Party) in the defense of such claim. If both Parties are sued and it is reasonably likely that the Parties may have conflicting interests or if it is otherwise not advisable under applicable legal and ethical requirements for the Indemnifying Party's defense counsel to represent both Parties, separate independent counsel shall be retained for each Party.

6. WARRANTIES

6.1 Mutual Representation and Warranties. Each Party hereby represents and warrants that:

(a) Valid Existence; Subsidiary. It is a corporation validly existing and in good standing under the laws of the State of Delaware.

(b) Authority. It has the requisite corporate power and authority to enter into and to deliver this Agreement and to perform its obligations hereunder, and its execution, delivery and performance of this Agreement have been duly authorized by all necessary action on its part and its board of directors and its stockholders, if required.

(c) Binding Nature of Agreements. This Agreement constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforcement thereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(d) Non-Contravention. Its execution and delivery of this Agreement and the transfer of the Transferred Property by it or its Affiliates will not: (i) conflict with or result in a violation of its the certificate of incorporation, bylaws or other equivalent organizational documents; and (ii) result in a material violation by it of any applicable law or regulation.

6.2 NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE, OR WARRANTY GIVEN, BY PFIZER, ESPERION OR ANY OF THEIR AFFILIATES, RESPECTIVELY (A) THAT ANY PATENT WILL ISSUE BASED UPON ANY PENDING PATENT APPLICATION WITHIN THE PFIZER

LICENSED IP OR ESPERION LICENSED IP, (B) THAT ANY PATENT THAT ISSUES THAT IS INCLUDED IN THE PFIZER LICENSED IP OR ESPERION LICENSED IP WILL BE VALID, OR (C) THAT THE USE OF ANY OF THE PATENTS INCLUDED IN THE PFIZER LICENSED IP OR ESPERION LICENSED IP WILL NOT INFRINGE THE PATENT OR OTHER PROPRIETARY RIGHTS OF ANY THIRD PARTY. THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AND ANY LICENSE OR GRANT HEREUNDER OF ALL RIGHTS TO ANY INTELLECTUAL PROPERTY IS "AS IS."

7. TERM AND TERMINATION

7.1 Irrevocable License and Agreement. Except as set forth herein, the licenses granted hereunder are irrevocable and shall not be terminated for any cause, including intentional breaches and breaches caused by gross negligence. In the event of any breach of this Agreement or under any circumstances, each of the Parties may pursue any other legal or equitable remedies available to it.

8. ASSIGNMENT

8.1 Restricted Assignment. Except as expressly provided herein, this Agreement, and the rights and obligations hereunder, may not be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempt to assign this Agreement or any of the rights and obligations hereunder as prohibited under this Section 8.1 shall be void and of no legal effect. Notwithstanding the foregoing,

(a) Pfizer may assign its rights under this Agreement, in whole or in part, to any Affiliate without the consent of Esperion; *provided*, that Pfizer shall remain primarily liable for the obligations hereunder assigned to such Affiliate;

(b) Pfizer may assign its rights under this Agreement (other than the license grant under Section 3.1(c)) in whole or in part, to any Third Party to which Pfizer assigns its rights to either of the Pfizer Programs (or any compounds or pharmaceutical products arising out of any of the Pfizer Programs); *provided*, that such assignment shall be expressly subject to the license and other rights granted to Esperion hereunder; and

(c) Esperion may assign its rights under this Agreement, in whole or in part, to any Affiliate without the consent of Pfizer; *provided*, that Esperion shall remain primarily liable for the obligations hereunder assigned to such Affiliate;

(d) Esperion may assign its rights under this Agreement, in whole or in part, to any Third Party to which Esperion assigns its rights to the Esperion Program (or any compounds or pharmaceutical products arising out of the Esperion Program); *provided*, that such assignment shall be expressly subject to the license and other

rights granted to Pfizer hereunder.

9. MISCELLANEOUS

9.1 Further Assurances. At and after the Effective Date, without further consideration, each of Pfizer and Esperion agree to (and to procure that each of their respective Affiliates shall) execute and deliver such additional instruments and documents, and provide such assistance and take such other action as either Party may reasonably request for the purposes of carrying out the transactions contemplated hereunder.

9.2 Registration and Approval. Each Party shall be entitled to register the licenses granted herein and this Agreement and apply for any required approval thereof or hereof at any competent national or supranational authorities. Each Party shall give the other Party any powers or authorizations necessary for this purpose. The expenses of registration or application shall be borne by the Party desiring to register or apply.

9.3 Severability. The provisions of this Agreement are subject to any applicable compulsory law or regulation on the subject of restriction of competition and the Parties hereto agree that if any provision of this Agreement should violate any such law or regulation, such provision shall not be binding upon the Parties with respect to the country or countries affected; this Agreement shall not, however, otherwise be affected thereby, unless the benefits or either of the Parties should be substantially impaired, in which case the Parties shall agree on such reasonable amendments as are necessary to re-institute the balance between them. Should the Parties not be able to reach such amendment within six (6) months from the time when the Parties learned of such violation either Party may refer the issue to dispute resolution according to Section 9.11 below for determination of the amendments to be made in accordance with the guidelines in this Section.

9.4 Notices and Language. Any notice, request or other communication with respect to this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by reputable international overnight courier or facsimile, or five (5) days after sent by registered or certified mail, return receipt requested, postage prepaid to the Parties at the respective addresses set forth below:

Esperion: Esperion Therapeutics, Inc.
46701 Commerce Center Drive
Plymouth, MI 48170-2475

With a copy to: Cooley Godward Kronish, LLP
5 Palo Alto Square
3000 El Camino Real
Palo Alto, CA 94306

Attention: Barbara A. Kosacz
Facsimile No.: 650-849-7400

Pfizer: Pfizer Inc.
235 East 42nd Street
New York, NY 10017
Attention: James W. Warner
Facsimile No.: 646-563-9414

With a copy to: Wiggin and Dana LLP
400 Atlantic Street
Stamford, CT 06901
Attention: James F. Farrington, Jr.
Facsimile No.: 203-363-7676

or to such other addresses that Pfizer or Esperion, as the case may be, shall specify in writing to the other Party. All communication between Esperion and Pfizer shall be in English, unless otherwise agreed.

9.5 Force Majeure. Neither Party shall be under any liability to the other hereunder on account of any loss, damage or delay occasioned or caused by non-performance of any obligation under this Agreement due to labor difficulties, riots, fire, insurrection, war, the elements, embargoes, failure of carriers, inability to obtain material or transportation facilities, compliance with any law, regulations or other causes beyond the control of the Party failing to perform, whether or not similar to the foregoing. The Parties shall without delay inform each other of the beginning and the end of such circumstances.

9.6 Modifications, Amendments and Alterations. No modifications, amendments or alterations of this Agreement may be made except in writing signed by both Parties to this Agreement.

9.7 Waiver. If any Party should at any time waive its rights due to breach or default by the other Party of any of the provisions of this Agreement, such waiver shall not be construed as a continuing waiver regarding other breaches or defaults of the same or other provisions of this Agreement.

9.8 Invalidity. If, due to a change in any applicable law or due to a decision or other act (including failure to act) by any competent authority, one or more provisions of this Agreement can no longer be enforced or an amendment of one or more of the provisions of this Agreement is required, the Parties agree that they shall endeavor to find an alternate solution approaching as near as possible the contractual situation existing prior to such a change, decision or act. If such solution is not found within six (6) months from the date that the Parties

have learned about such decision or act, either Party may refer the issue to arbitration according to Section 9.11 below and the arbitration shall decide on an alternative solution in accordance with the guidelines in this Section 9.8.

9.9 Complete Agreement. This Agreement (together with the Transfer Agreements) (a) sets forth the entire agreement between the Parties hereto and merges all discussions among them and (b) annuls and replaces any other agreement or understanding whether written or oral which may have existed between Pfizer and Esperion with respect to the subject matter hereof. The making, execution and delivery of this Agreement by Esperion have been induced by no representations, statements, warranties or agreements other than those herein explicitly expressed.

9.10 Applicable Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the choice of law provisions thereunder (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law), as such law shall from time to time be in effect.

9.11 Dispute Resolution.

(a) Executive Mediation. If a dispute arises under this Agreement which cannot be resolved by the personnel directly involved, either Party may invoke the dispute resolution procedure set forth in this Section 9.11 by giving written notice to the other Party, designating an executive officer with appropriate authority to be its representative in negotiations relating to the dispute. Upon receipt of such notice, the other Party shall, within five (5) business days, designate an executive officer with similar authority to be its representative. The designated executive officers shall, following whatever investigation each deems appropriate, promptly enter into discussions concerning the dispute. Neither Party may commence arbitration of any matter hereunder until the expiration of thirty (30) days after its notice designating such executive officers.

(b) Arbitration. Any dispute, controversy or claim arising out or in connection with this Agreement, or breach, termination or invalidity thereof, that is not resolved by the procedure set forth in paragraph (a) above, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("*AAA*"). The arbitral tribunal shall be composed of three (3) arbitrators, one (1) to be appointed by Pfizer and one (1) to be appointed by Esperion and the chairman to be appointed by the two arbitrators. If either Party has not appointed its arbitrator within three (3) weeks from the request of the other Party, or the two arbitrators have not agreed on the chairman within three (3) weeks after their appointment, the AAA shall appoint the arbitrator or the chairman, as the case may be. The place of arbitration shall be New York, New York.

(c) Excepted Disputes. The obligation herein to mediate or arbitrate shall not be

binding upon any Party with respect to requests for preliminary injunctions, temporary restraining orders or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the *status quo* or to prevent irreparable injury pending resolution by arbitration of the actual dispute.

9.12 Interpretation. The paragraph and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. All references in this Agreement to an Article, Section, or Appendix shall refer to an Article, Section, Schedule or Appendix in or to this Agreement, unless otherwise stated. Any reference to any federal, national, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" and similar words shall mean including without limitation. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision. References in this Agreement to "provisions of this Agreement" refer to the terms, conditions and promises contained in this Agreement taken as a whole. All references to days, months, quarters or years are references to business days, calendar months, calendar quarters, or calendar years. References to the singular include the plural.

[NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF the Parties have executed this Agreement in duplicate, each Party taking one copy, the day and year written below.

April 28, 2008

ESPERION THERAPEUTICS, INC.		**PFIZER INC.**	
By:	/s/ Roger Newton	By:	/s/ David Reid
Name:	Roger Newton	Name:	David Reid
Title:	President and Chief Executive Officer	Title:	Senior Vice President and Managing Director

SCHEDULE A

[***]

ESPERION THERAPEUTICS, INC.
FORM OF OFFICER INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ by and between Esperion Therapeutics, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as an officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This

---

Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Corporate Status" describes the status of a person as a current or former officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(b) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(c) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(d) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(e) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement;

provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is

successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law;

(c) to indemnify for any reimbursement of, or payment to, the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to Section 304 of SOX or any formal policy of the Company adopted by the Board (or a committee thereof), or any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which

approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the

reasonable fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any reasonable out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board. Indemnitee may, within ten (10) days after written notice of such selection, deliver to the Company a written objection to such selection; provided, however, that such objection may be

asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this

Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company

of a written request therefor or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or

advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by

any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as an officer of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall

constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Esperion Therapeutics, Inc.
46701 Commerce Center Drive
Plymouth, MI 48170
Attention: Troy Ignelzi, Vice President,
Finance and Business Development

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the

regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

ESPERION THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

[Signature Page to Indemnification Agreement]

ESPERION THERAPEUTICS, INC.
FORM OF DIRECTOR INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ by and between Esperion Therapeutics, Inc., a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Amended and Restated Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company's stockholders;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

[WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by [Name of Fund/Sponsor] which Indemnitee and [Name of Fund/Sponsor] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided in this Agreement, with the Company's acknowledgment and agreement to the foregoing being a material condition to Indemnitee's willingness to serve or continue to serve on the Board.]

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean:

(i) the date any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, becomes the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from the Company); or

(ii) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or

(iii) the date of consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a "Change in Control" will not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities

outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50 percent or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence will thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50 percent or more of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" will be deemed to have occurred for purposes of the foregoing clause (i).

(b) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully

indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise[; provided that the foregoing shall not affect the rights of Indemnitee or the Fund Indemnitors as set forth in Section 13(c)];

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Act or similar provisions of state statutory law or common law;

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the

reasonable fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board; or (iv) if so directed by the Board, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not

serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal

Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (which shall include any invoices received by Indemnitee but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact

necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy

or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [Name of Fund/Sponsor] and certain of [its][their] affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 13(c).]

(d) [Except as provided in paragraph (c) above,] [I/i]n the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee [(other than against the Fund Indemnitors)], who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) [Except as provided in paragraph (c) above,] [T/t]he Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights

of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Esperion Therapeutics, Inc.
46701 Commerce Center Drive
Plymouth, MI 48170
Attention: Troy Ignelzi, Vice President,
Finance and Business Development

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or

failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

ESPERION THERAPEUTICS, INC.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

Exhibit 10.10

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (**"Amendment"**) is made and entered into this 15th day of November, 2011 (**"Effective Date"**), by and between Michigan Life Science and Innovation Center LLC, having an address of 46701 Commerce Center Drive Plymouth, MI 48170 (**"Landlord"**) and Esperion Therapeutics, Inc., having an address of 46701 Commerce Center Drive Lab B, Plymouth, MI 48170 ("**Tenant**"), (collectively the "**Parties**").

Recitals:

A. Pursuant to that certain Lease dated October 2, 2008, ("**Lease**"), Landlord leased to Tenant those premises containing approximately 9,730 square feet in the building commonly known as Lab B and Office B, as more particularly described in the Lease ("**Leased Premises**"); and

B. The Parties desire to amend the Lease as provided for herein.

NOW THEREFORE, in consideration of the amended provisions herein and other good and valuable consideration paid by each to the other, receipt of which is hereby acknowledged, it is agreed between the Parties as follows:

1. The capitalized terms used herein that are otherwise undefined, shall have the same meaning as provided in the Lease.

2. **Leased Premises —** the leased premises in the original October 2, 2008 lease for Lab B and Office B areas remains in effect with all terms unchanged.

3. **Vivarium space** — in addition to the space described in number 2, tenant rents additional space in the Vivarium. The additional space in the Vivarium totals 536 square feet. The rental amount for the 536 square feet of space in the Vivarium is an additional $3500 per month. The initial term for the Vivarium space shall be from November 15, 2011 through January 15, 2012. After January 15, 2012 the space can continue to be leased on a month-to-month basis. Landlord reserves the right to terminate tenant's use of any space in the Vivarium at any time following January 15, 2012. If landlord terminates tenant's use in the middle of a month then tenant will receive a refund for remaining time within the month.

4. Except as hereby amended, the Lease shall remain in full force and effect. If any conflict exists between the terms and provisions of the Lease and the terms and provisions of this Amendment, the terms and provisions of this Amendment shall govern and control.

5. This Amendment and representations in it are contractual and not merely recitals and shall continue in full force and effect at all times hereafter.

6. Each party to this Amendment expressly represents that he, she, or it has carefully read this Amendment, understands its contents, and has signed the Amendment as his, her, or its

own free act with full authority to do so. Landlord further covenants, warrants and represents that it has the power to execute and perform under this Amendment and the Lease and grant the estate demised herein to Tenant.

7. This Amendment shall not be further amended, altered, modified, or changed in any way except in writing signed by all the Parties to this Amendment.

8. This Amendment constitutes the entire Amendment between the Parties and supersedes all prior and contemporaneous agreements or understandings, whether written or oral, between the Parties with respect to the subject matter hereof.

9. The submission of this Amendment for examination or its negotiation of the terms described herein does not constitute an offer to amend the Lease, and this Amendment does not constitute a binding contract until such time as the Amendment has been fully and finally executed by all Parties to this Amendment.

LANDLORD
By: _____
Print Name: _____
Its: _____

TENANT
By: /s/ Roger S. Newton
Print Name: Roger S. Newton
Its: PRES/CEO

MICHIGAN LIFE SCIENCE AND INNOVATION CENTER LEASE

In consideration of the rents and covenants set forth below, MICHIGAN LIFE SCIENCE AND INNOVATION CENTER, LLC, a Delaware limited liability company, hereby leases to Tenant (as hereinafter defined), and Tenant hereby leases from Landlord, the Leased Premises (as hereinafter defined) upon the following terms and conditions:

ARTICLE 1 - FUNDAMENTAL LEASE PROVISIONS

The provisions in this Article shall be referred to in this Lease as the "***Fundamental Lease Provisions.***" Unless otherwise defined herein, capitalized terms used in this Lease shall have the meanings listed in the Fundamental Lease Provisions.

***Execution Date*:** October 2, 2008

***Commencement Date*:** October 2, 2008.

***Landlord*:** Michigan Life Science and Innovation Center, LLC

***Landlord's Address*:**	203 South Division, Suite 430 Ann Arbor, Michigan 48104
***Tenant*:**	Esperion Therapeutics, Inc.
***Tenant's Address*:**	46701 Commerce Center Drive Plymouth, Michigan, 48170
***Land*:**	The real property commonly known 46701 Commerce Center Drive Plymouth, Michigan, as more particularly described on Exhibit A attached hereto.
***Building*:**	The building located on the Land and containing approximately 57,601 square feet of space.
***Leased Premises*:**	Approximately 9,730 rentable square feet of laboratory space, which has been determined with a load factor of 1.4 (4,867 rentable square feet, commonly referred to as "Lab B" and 2,083 rentable square feet commonly referred to as "Office B" each multiplied by 1.4), all in the Building and as more particularly shown on the sketch attached hereto as Exhibit B.
***Tenant's Proportionate Share*:**	16.89%, which is equal to the rentable square foot area of the Leased Premises divided by the total rentable square foot area of the Building; provided, however, if any additional rentable square feet are added or removed to or from the Building, Tenant's Proportionate Share shall be adjusted accordingly.
***Initial Term*:**	Commencing on the Commencement Date and continuing through the day preceding the fifth (5th) anniversary of the Commencement Date.
***Renewal Terms*:**	two (2) terms of five (5) years each.
***Lease Year*:**	Each twelve month period commencing on the Commencement Date and each anniversary thereof; provided, however, that if the Commencement Date falls on other than the first day of a calendar month, each Lease Year commence on the first day of the calendar month first following the Commencement Date.
***Base Rent*:**	$76,450 per annum, ($11.00 per rentable square foot of space calculated at 6,950 rentable square feet and excluding the load factor of 1.4), as subject to increase as provided in Section 3.1(b) below
***Security Deposit*:**	$10,000, due on the Commencement Date, either in cash or in the form of an irrevocable, direct pay letter of credit in favor of Landlord, issued by a commercial bank licensed to business in the State of Michigan having a term of not less than one year with provision for automatic successive annual one-year extensions for the Lease Term and any Renewal Term.
***Permitted Use*:**	Pharmaceutical research and development, and uses incidental thereto.

References in this Article 1 to other Sections are for convenience and designate some of the other Articles where references to the Fundamental Lease Provisions appear. Each reference in this Lease to any of the Fundamental Lease Provisions contained in this Article 1 shall be construed to incorporate all of the terms provided under such Fundamental Lease Provision. In the event of any conflict between any Fundamental Lease Provision and the balance of this Lease, the latter shall control.

ARTICLE 2 - GRANT OF LEASE; TERM

2.1 Grant of Lease. In consideration of the payments of rent and other amounts to be made by Tenant and the covenants and conditions to be kept and performed by Tenant, all as set forth in this Lease, Landlord leases:

(a) the Leased Premises to Tenant, together with the non-exclusive right to (i) use the interior and exterior common and public areas and facilities, including the surface parking facilities appurtenant to the Building (collectively, the "***Common Areas***") as may be designated by Landlord for the use in common by all of the tenants of the Building, and (ii) access on the fee basis established by the Landlord or its agent from time to time to use the vivarium space and facilities located in the Building (the "***Vivarium***"); and

(b) the equipment described in Exhibit C (the "***Equipment***") to Tenant pursuant to the terms described in such Exhibit, which terms Tenant accepts by execution of this Lease.

2.2 Term.

(a) The Initial Term shall be as set forth in the Fundamental Lease Provisions.

(b) Provided an Event of Default (as defined in Section 10.1) has not occurred and be continuing, Tenant shall have the option to extend the Initial Term by each of the Renewal Term(s) described in the Fundamental Lease Provisions by giving Landlord notice of its election to extend the term of this Lease by such Renewal Term not less than one hundred and eighty (180) days prior to expiration of the Initial Term or the then running Renewal Term, as the case may be. The terms and conditions of this Lease shall apply during each Renewal Term.

(c) The Initial Term, as it may be extended by one or more Renewal Terms, shall be hereinafter referred to as the "***Lease Term***."

ARTICLE 3 - BASE RENT AND OTHER PAYMENTS

3.1 Base Rent.

(a) Tenant shall pay Landlord monthly installments of Base Rent for the Leased Premises, initially in the amount(s) set forth in the Fundamental Lease Provisions, in advance, commencing on the Commencement Date and continuing on the first day of each calendar month during the Lease Term. If the Commencement Date is a day other than the first day of a calendar month, Tenant shall, on the Commencement Date, pay Landlord a fraction of the Base Rent equal to the number of days remaining in such month, divided by the total number of days in such month.

(b) As of the commencement of the second Lease Year and continuing with the commencement of each Lease Year thereafter during the Lease Term, the Base Rent shall increase by the same percentage increase, if any, in the consumer price index issued by the Bureau of Labor Statistics, United States Department of Commerce, for all urban consumers, Detroit-Ann Arbor, all items (1982-84 = 100) (or if such index is no longer published, any index

similarly providing an indicator of inflation) over twelve (12) month period ending three (3) months prior to the end of the Lease Year ending immediately prior to the Lease Year to which such increase would apply.

3.2 Utilities Cost; Additional Rent.

(a) In addition to the Base Rent, Tenant shall commencing on the Commencement Date and continuing on the first day of each calendar month during the Term, pay Landlord an amount (the "***Additional Rent***") equal to one-twelfth (l/12th) of Landlord's annual estimate of Tenant's Proportionate Share of Expenses and Taxes (as hereinafter defined); provided, however, that in the event that any portion of the rentable space in the Building is exempt from Taxes, such rentable space shall not be taken into account in determining the rentable area of the Building for purposes of determining Tenant's Proportion Share and the same shall be adjusted and Landlord shall give Tenant written notice of such adjustment and the effective date hereof. If the Commencement Date is a day other than the first day of a calendar month, Tenant shall, on the Commencement Date, pay Landlord a fraction of the monthly payment otherwise due under this Section equal to the number of days remaining in such month, divided by the total number of days in such month. Landlord shall provide Tenant with a budget of Landlord's reasonable estimate of Expenses not less than ninety (90) days prior to each calendar year, in reasonable detail. For purposes of this Section:

"***Expenses***" shall mean the actual cost incurred by Landlord with respect to the operation, maintenance, repair and replacement and administration of the Land and the Building, including, without limitation or duplication, (A) the costs incurred for utilities serving the Building and not directly paid for by tenants of the Building, including, without limitation, air conditioning; mechanical ventilation; heating; electricity, including but not limited to gas, hot and cold water; janitorial and other cleaning services, telephone, cable and other utility services installed for the Leased Premises or Common Areas, rubbish removal from Common Areas; snow removal; parking lot maintenance and repairs; general landscaping and maintenance; window washing, electric current for the Common Areas; reasonable management fees not to exceed four percent (4%) of gross rents payable by tenants of the Building (which services shall be provided to Tenant on Landlord's behalf through one or more third parties engaged by Landlord or Landlord's agent for such purpose); repairs, replacement, and maintenance of the Land and the Building; fire, extended coverage, boiler, sprinkler, apparatus, general liability and property damage insurance (including loss of rental income insurance); supplies; sales, use and other similar taxes; water rates and sewer charges; and any other costs, charges and expenses which, under generally accepted accounting principles and practices, consistently applied, would be regarded as maintenance; repair and operating expenses, and (B) the cost of capital improvement items made to the Building by Landlord after the Commencement Date that are reasonably calculated to reduce Expenses, such cost to be amortized over the reasonably established useful life of the capital improvement on a straight-line basis; provided, however, that to the extent that any utilities are separately metered to the Leased Premises and/or any services are

contracted for directly by Tenant, then any charges for such items shall not be included in "***Expenses***."

Notwithstanding the foregoing and except as explicitly otherwise provided in this Lease as being the responsibility of Tenant hereunder, "***Expenses***" shall *not* include (1) depreciation or amortization of the Building or equipment in the Building owned by Landlord; (2) payments of principal, interest, late fees, prepayment fees or other charges on any debt or amortization payments on any mortgage or mortgages executed by Landlord covering the Land or the Building (or any portion thereof); (3) costs of alterations of the leased premises of Building tenants; (4) leasing commissions or finder's fees, marketing or advertising costs, attorney's fees or other expenses incurred by Landlord in connection with the leasing of space in the Building, including this Lease; (5) attorney's fees and expenses incurred by Landlord arising from (a) disputes with or defaults by Building tenants or other occupants; (b) relating to the sale or refinancing of the Building; (6) repairs or other work occasioned by (a) any casualty for which Landlord has insured or is required to insure pursuant to the terms of this Lease, or for which Landlord receives reimbursement from third parties, or (b) the exercise of the right of eminent domain; (7) expenses, including permits, license, design, space planning, and inspection costs, incurred by Landlord in making improvements to the Building for tenants or other occupants of space; (8) Landlord's costs of utilities and other services sold or provided to tenants in the Building and for which Landlord is entitled to be reimbursed as a separate additional charge or rental over and above the basic rent or escalation payment payable under the lease with such tenant; (9) unamortized costs incurred by Landlord for alterations that are considered capital improvements and replacements under generally accepted accounting principles consistently applied; (10) expenses in connection with non-Building standard services or benefits of a type that are not provided to Tenant but that are provided to other tenants or occupants of the Building; (11) all items and services for which Tenant pays directly to third parties or for which tenants reimburse Landlord; (12) any costs, fines, or penalties of any governmental rule or authority incurred due to violations by Landlord or any tenant or other occupant of the terms and conditions of any lease or other rental agreement covering space in the Building; (13) costs incurred to comply with, any laws, statutes, ordinances, codes or other governmental rules, regulations or requirements, or with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, in effect and applicable to the Building as of the date of this Lease; (14) costs for relating to sculpture, paintings, or other art located in the Common Areas and installed by Landlord; (15) charitable or political contributions; (16) costs of signs in or on the Building identifying the owner of the Building or signs (other than the Building directory in the lobby of the Building or other signs identify Tenant) identifying other tenants of the Building or their employees, divisions, subsidiaries, subtenants or assignees; or (17) costs (other than those caused by Tenant) incurred in connection with investigating, assessing, removing, encapsulating or otherwise remediating or abating asbestos or other hazardous or toxic materials or other forms of contamination in or on the Building or on or under the Land or any part

thereof (including without limitation groundwater contamination) existing as of the Commencement Date.

"***Taxes***" shall mean the amount incurred by Landlord of all *ad valorem* real property taxes and assessments, special or otherwise, levied upon or with respect to the Land and the Building, or the rent and additional charges payable hereunder, imposed by any taxing authority having jurisdiction including but not limited to the so-called "Michigan Business Tax", as the same presently exists and as the same may be amended in whole or in part from time to time (or which would have been assessed if computed as if the Building were Landlord's only business activity and without the reduction to the tax base pursuant to Sections 400 through 449 of the Michigan Business Tax Act), and shall also include all taxes, levies and charges which may be assessed, levied or imposed in replacement of, or in addition to, all or any part of *ad valorem* real property taxes as revenue sources, and which in whole or in part are measured or calculated by or based upon the Land and/or the Building, the freehold and/or leasehold estate of Landlord or Tenant, or the rent and other charges payable hereunder. Taxes shall also include any expenses incurred by Landlord in determining or attempting a successful reduction of Taxes. Notwithstanding anything herein contained to the contrary, if the Building is separately assessed for real estate tax purposes, the Taxes shall include such separately assessed Taxes plus an allocable portion of the Taxes on the Common Areas (as reasonably determined by Landlord) and if the Building is not so

separately assessed, Landlord shall allocate the Taxes among the Building and other buildings on the Development on a reasonable and equitable basis (including the Taxes allocable to the Common Areas).

(b) Within ninety (90) days after each January 1 following the Commencement Date, Landlord shall estimate Tenant's monthly installment of Tenant's Proportionate Share of Expenses and Taxes for the current calendar year and give notice to Tenant of such estimate prior to expiration of such ninety (90) day period (each an "***Adjustment Notice***"). From and after receipt of the Adjustment Notice, Tenant shall pay the monthly installment of Additional Rent set forth therein in the manner and at the times set forth in the foregoing subsection. Notwithstanding the foregoing, the Landlord may adjust Tenant's Additional Rent at any time upon not less than thirty (30) days notice to Tenant, which notice shall set forth the adjusted amount payable thereafter until the next due Adjustment Notice.

(c) In the event that during all or any portion of any calendar year, the Building is not fully rented and occupied Landlord shall make an appropriate adjustment in occupancy-related Expenses for such year for the purpose of avoiding distortion of the amount of such Expenses to be attributed to Tenant by reason of variation in total occupancy of the Building, by employing consistent and sound accounting and management principles to determine Expenses that would have been paid or incurred by Landlord had the Building been at least ninety-two and a half percent (92.5%) rented and occupied, and the amount so determined shall be deemed to have been Expenses for such calendar year.

(d) Within ninety (90) days after the conclusion of each calendar year during the Term (including, without limitation, the calendar year during which the Commencement Date

occurs), Landlord shall send Tenant a notice specifying the actual amount of Tenant's Proportionate Share of the Expenses and Taxes incurred by Landlord during all or any portion of the previous calendar year which includes the Term. In the event that the Additional Rent paid to Landlord by Tenant during such calendar year is less than the amount set forth in such notice, Tenant shall pay Landlord the difference within ten (10) days after receipt of such notice. Conversely, Landlord shall promptly refund to Tenant any overpayment, less any payment then due Landlord hereunder; provided, however, that so long as this Lease remains in effect, Landlord may instead elect to credit any such overpayment against the next due installment(s) of Base Rent by giving Tenant notice of such election. The payment obligations of Tenant and Landlord contained in this subsection shall survive expiration or termination of this Lease.

(e) Upon the failure of Tenant to pay all or any portion of any payment due Landlord in respect of Tenant's Proportionate Share of the Expenses and Taxes, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay the Base Rent.

(f) Tenant shall additionally pay Landlord directly for the commercially reasonable costs incurred by the Landlord to provide any service requested by Tenant and which Landlord agrees to provide within ten (10) days after receipt of any invoice therefor from Landlord.

(g) During the Lease Term (but not more often than once each Lease Year), Tenant may review, at Tenant's sole cost and expense, the books and records supporting such determination at the Leased Premises during normal business hours, upon giving Landlord five (5) days advance written notice within one hundred and eighty (180) days after receipt of such determination, but in no event more often than once in any one (1) year period, provided that if Tenant utilizes an independent accountant to perform such review it shall be one which is not compensated on a contingency basis and is subject to such confidentiality agreement. If the audit discloses that the amount of Expenses billed to Tenant was incorrect, the appropriate party shall pay to the other party the deficiency or overpayment, as applicable, within thirty (30) days after final determination. All costs and expenses of the audit (including, without limitation, reasonable expenses and overhead incurred by Landlord complying with the provisions of this Section 3.2(g), which shall constitute an Advance hereunder (as hereinafter defined)) shall be paid by Tenant unless the audit shows that Landlord overstated Expenses, Taxes or insurance costs for the subject calendar year by more than five percent (5%), in which case Landlord shall pay all reasonable costs and expenses of the audit, based upon a detailed invoice therefor provided by Tenant to Landlord.

3.3 Place and Manner of Payment. Tenant shall make all payments of Base Rent, Additional Rent and all other payments due Landlord under this Lease at the address for Landlord set forth in the Fundamental Lease Provisions, or at such other place as Landlord may designate to Tenant by notice.

3.4 Late Charge. If any installment of the Base Rent, Additional Rent or any other payment provided for under this Lease which is payable by Tenant is not received by Landlord within ten (10) days after the date when due, Tenant shall immediately pay Landlord an amount equal to five percent (5%) of the overdue amount as a late charge (the "***Late Charge***"). Landlord

and Tenant agree that the Late Charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment by Tenant. Acceptance of the Late Charge by Landlord shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any other rights and remedies available to Landlord under this Lease.

3.5 Interest on Overdue Amounts. The Base Rent, Additional Rent and all other amounts due Landlord under this Lease which are not paid within ten (10) days after the date due shall bear interest at a per annum rate (the "***Default Rate***") equal to the "prime rate" (or substantial equivalent) announced from time to time (as adjusted monthly) by Comerica Bank (or any successor financial institution), plus two percent (2%), from the date due until paid; provided, however, that if the Default Rate shall exceed the lawful rate of interest which Landlord is entitled to charge under applicable Michigan law, then the per annum rate of interest on any such overdue amounts shall be the maximum rate permitted by applicable law.

3.6 Advances by Landlord. In the event that Tenant shall fail to timely pay any amount due Landlord under this Lease other than the Base Rent within ten (10) days after written notice to Tenant, Landlord, at its option, may advance such payment on behalf of Tenant (each an "***Advance***"). Tenant shall pay Landlord the amount of any Advance, together with interest thereon at the Default Rate from the date of such advance by Landlord until repayment thereof by Tenant. Tenant shall make such repayment not later than the first day of the calendar month following the date of such Advance.

3.7 Security Deposit. Upon the Execution Date, Tenant shall deposit with Landlord the Security Deposit as security for Tenant's faithful performance of Tenant's obligations hereunder. If Tenant fails to timely pay rent or other charges due hereunder, or otherwise defaults with respect to any provisions of this Lease beyond applicable notice and cure periods hereunder, Landlord may use, apply, or retain all or any portion of the Security Deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby. Landlord shall have no obligation to apply the Security Deposit against any amount due or owing from Tenant under this Lease or against any Advance made by Landlord, nor shall the rights and remedies of Landlord under this Lease be affected in any manner by the fact that Landlord holds the Security Deposit. If, however, Landlord so uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written demand therefor, deposit with Landlord an amount sufficient to restore the Security Deposit to the full amount stated above, and Tenant's failure to do so shall constitute a default under this Lease. Landlord shall not be required to keep the security deposit separate from its general accounts or to pay interest thereon, unless otherwise required by applicable law. If Tenant performs all of Tenant's obligations hereunder, the Security Deposit, or so much thereof after application thereof by Landlord in accordance with this Section 3.7, as has not been applied by Landlord, shall be returned, in cash, without payment of interest or other increment for its use, to Tenant at the expiration of the Lease Term. No trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit.

3.8 Other Taxes. Tenant shall pay prior to delinquency, all taxes assessed against and levied or assessed by municipal, county, state, federal or other taxing or assessing authority

upon, against or with respect to (a) the Leased Premises or any leasehold interest, (b) all furniture, fixtures, equipment (including, without limitation, the Equipment) and any personal property of any kind owned by Tenant or any previous tenant and occupant, and placed, installed or located in, within, upon or about the Leased Premises or the Building, (c) all alterations, additions or improvements of whatsoever kind or nature, if any, made to the Leased Premises or the Building by Tenant, or any previous tenant or occupant of the Leased Premises, and (d) rents or other charges payable by Tenant to Landlord, irrespective of whether any of the terms described in clauses (a) through (d) above are assessed against real or personal property, and irrespective of whether any of such items are assessed to or against Landlord or Tenant. Tenant shall cause said trade fixtures, furnishings, equipment (including, without limitation, the Equipment), and all other personal property to be assessed and billed separately from the real property of Landlord, including, without limitation, all improvements made within the Leased Premises by or on behalf of Tenant at Tenant's expense as provided in M.C.L.A. §211.8(h), as amended. Accordingly, Tenant shall report such leasehold improvements as personal property in the statement of assessable property that Tenant is required to file by M.C.L.A. §211.19, as amended, and shall cooperate with Landlord in ensuring that such leasehold improvements are not assessed as real property. Notwithstanding the foregoing, to the extent that Landlord shall have paid any of the foregoing taxes and assessments directly to the applicable taxing authority, any such payment shall constitute an Advance hereunder.

3.9 Nature of Lease. This Lease shall be deemed and construed to be a "triple net lease" and, notwithstanding anything contained herein to the contrary, Landlord shall receive all Base Rent due under this Lease absolutely free of all taxes, utility charges, assessments, impositions, insurance costs or costs or expenses (of any kind or nature) incurred or paid by Landlord with respect to the Leased Premises. Tenant shall be solely responsible for and shall promptly pay all necessary fees, deposits and charges, including use and/or connection fees, hook-up fees, stand by fees, and/or penalties for discontinued or interrupted service, for any service or utility used in or upon or furnished to the Leased Premises, irrespective of whether Landlord has paid for these services in advance, or otherwise.

ARTICLE 4 - USE, CARE AND OCCUPANCY OF THE LEASED PREMISES

4.1 Use and Purpose. Unless Landlord shall otherwise consent in writing (which consent shall not be unreasonably withheld), Tenant shall use the Leased Premises solely for the Permitted Use and in a manner consistent with the zoning ordinance applicable to the Land.

4.2 Care of Leased Premises. Tenant shall not perform any acts or carry on any practices within the Leased Premises that may damage the Leased Premises.

4.3 Compliance with Law. Tenant shall, at Tenant's sole expense, comply in all material respects with all applicable laws, ordinances, orders, rules, regulations, of any governmental authorities and with any directive of any public officer which shall impose any violation, order or duty upon Landlord or Tenant with respect to the Leased Premises, or the use or occupation thereof including, without limitation, any governmental law or statute, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect relating to the environment, health or safety, including, without limitation, the safe and lawful use and storage of biomedical and nuclear products, materials and devices used by Tenant in its

operations, as well as the legal removal of any "medical waste," "biological waste," "nuclear waste" or otherwise hazardous material from the Leased Premises. Notwithstanding the foregoing, Tenant shall not be obligated to perform any exterior or structural modifications or compliance work for any of the Common Areas or to pay for any work performed or triggered by Landlord, Landlord's agents or other tenants in order to comply with applicable law. Tenant shall not use or permit the Leased Premises to be used in any manner that will result in waste or the creation of a nuisance, and Tenant shall maintain the Leased Premises free of any objectionable noises, odors or disturbances. To the extent the Tenant makes use of the Vivarium, Tenant shall comply with all applicable laws relating to the import, handling, use and disposal of animals and animal products. Notwithstanding the foregoing, in no event shall Tenant have liability or indemnity obligation under this Section 4.3, with respect to any condition existing prior to the date of this Lease.

4.4 Prohibited Use. Tenant shall not do or permit anything to be done in or about the Leased Premises which will in any way obstruct or interfere with the rights of other tenants of the Building, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Leased Premises or commit or suffer to be committed any waste in, on or about the Leased Premises. If anything done, omitted to be done or suffered to be done by Tenant, or kept or suffered by Tenant to be kept in, upon or about the Leased Premises shall cause the rate of fire or other insurance on the Building in companies acceptable to Landlord to be increased beyond the minimum rate from time to time applicable to the Building, Tenant shall pay Landlord the amount of any such increases on demand.

4.5 Permits and Licenses. Tenant shall, at its sole cost and expense, be solely responsible to apply for, and secure, any building permit or permission of any duly constituted authority for the purpose of doing any of the things which Tenant is required or permitted to do under the provisions of this Lease. Tenant acknowledges and agrees that Landlord shall in no way be responsible for evaluating, determining or securing any permits or licenses Tenant requires in connection with Tenant's use of the Premises and Tenant agrees to indemnify, save and hold Landlord harmless from and against any claim, liability, loss, damage or expense (including, without limitation, reasonable attorneys' fees and disbursements) arising out of any violation of the covenants of Tenant under this Section.

4.6 Environmental Compliance. Tenant hereby agrees that:

(a) Tenant shall, at its sole cost and expense at all times during the Term, comply in all respects with the Relevant Environmental Laws (as hereinafter defined) in its use and operation of the Leased Premises, and in its storage or use of any Hazardous Substances.

(b) Tenant shall notify Landlord promptly and in reasonable detail in the event that Tenant becomes aware of or suspects (i) the presence of any Hazardous Substance (as hereinafter defined) on the Leased Premises (other than any Permitted Hazardous Substance (as hereinafter defined)), (ii) the presence of Asbestos (as hereinafter defined) on the Leased Premises, or (iii) a violation of the Relevant Environmental Laws on the Leased Premises.

(c) If Tenant uses or permits the Leased Premises to be used so as to subject Tenant, Landlord or any occupant of the Leased Premises to a claim of violation of the Relevant

Environmental Laws (unless contested in good faith by appropriate proceedings), Tenant shall immediately cease or cause cessation of such use or operations and shall remedy and fully cure any conditions arising therefrom, at its sole cost and expense.

(d) At its sole cost and expense, Tenant shall keep the Leased Premises free of any liens imposed pursuant to the Relevant Environmental Laws by reason of acts or omissions of Tenant, its employees, officers, directors, contractors, agents, customers, guests and invitees.

(e) Tenant shall indemnify, save and hold Landlord harmless from and against any claim, liability, loss, damage or expense (including, without limitation, reasonable attorneys' fees and disbursements) arising out of any violation of the covenants of Tenant contained in this Section by Tenant, or out of any violation of the Relevant Environmental Laws by Tenant, its owners, employees, agents, contractors, customers, guests and invitees, which indemnity obligation shall survive the expiration or termination of this Lease.

(f) In the event that Tenant fails to comply with the any of the foregoing requirements of this Section, after the expiration of the cure period permitted under the Relevant Environmental Laws, if any, Landlord may, but shall not be obligated to, exercise its right to do one or more of the following: (i) elect that such failure constitutes an Event of Default; and (ii) take any and all actions, at Tenant's sole cost and expense, that Landlord deems necessary or desirable to cure any such noncompliance. Any costs incurred by Landlord pursuant to this subsection shall constitute an Advance.

Nothing contained in this Section 4.6 shall be construed to subject Tenant to any liability or indemnity obligation with respect to any condition existing prior to the date hereof.

Capitalized terms used in this Section and not otherwise defined herein shall have the following meanings:

"***Asbestos***" means that term as it is defined under the Relevant Environmental Laws, and shall include, without limitation, asbestos fibers and friable asbestos, as such terms are defined under the Relevant Environmental Laws.

"***Hazardous Substance***" means any of the following as defined by the Relevant Environmental Laws: solid wastes; biological, medical or nuclear waste or materials; toxic or hazardous substances, petroleum products or derivatives, wastes, or contaminants (including, without limitation, polychlorinated biphenyls ("PCBs"), paint containing lead, and urea-formaldehyde foam insulation; and discharges of sewage or effluent.

"***Relevant Environmental Laws***" means all applicable federal, state and local laws, rules, regulations, orders, judicial determinations, and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, as they may be amended from time to time, whether presently existing or hereinafter enacted, adopted or ordered with respect to: (a) the existence on, discharge from or to, or removal from all or any portion of the Leased Premises of any Hazardous Substance; and (b) the effects on the environment of all or any portion of the Leased Premises, or of any activity now, previously, or hereafter conducted on the Leased Premises.

"***Permitted Hazardous Substance***" means any Hazardous Substance which is necessary and commercially reasonable for the provision of any good or service related to the Permitted Use.

4.7 Quiet Enjoyment. Upon timely payment of all amounts due Landlord under this Lease and performance of the covenants and agreements herein contained, in the manner and at the time set therefor, Tenant shall, and may peacefully and quietly have, hold and occupy the Leased Premises during the Lease Term.

ARTICLE 5 - MAINTENANCE AND SERVICES

5.1 Landlord's Obligations.

(a) Landlord shall, and at its sole cost and expense, make all necessary repairs and replacements of both capital and non-capital nature to (i) the foundations, outer wall, roof and other structural components of the Building, (ii) the Common Areas, and (iii) Building mechanical, electrical, plumbing, elevator and HVAC systems servicing the Building. Landlord shall additionally make certain minor ordinary course repairs to the Leased Premises, including ceiling tile replacement, light bulb replacement in the Common Areas, door repairs and repair of window treatment mechanicals. Notwithstanding the foregoing or anything contained elsewhere in this Lease to the contrary, in the event that Landlord shall reasonably determine that Tenant, or Tenant's owners, agents, contractors, directors, officers, employees, guests, invitees, customers or licensees, shall have committed waste upon, abused or otherwise damaged any of, the structures, systems, improvements or other components of the Building or the Leased Premises described in, or contemplated by, this subsection, Landlord shall cause them to be repaired or replaced, as necessary, and the cost thereof shall constitute an Advance.

(b) Landlord shall arrange for and supervise rubbish removal, snow removal, lawn and landscaping service, maintenance and repair for the Common Areas, including the sidewalks, driveways and parking area, as applicable, serving the Building.

(c) On or prior to the Commencement Date, Landlord shall provide Tenant with such number of keys and electronic key cards for the Leased Premises and the Building as Tenant shall reasonably require for its owners and employees. Within ten (10) days after receipt of an invoice therefor from Landlord, Tenant shall reimburse Landlord for any cost incurred by Landlord to replace any lost key or electronic key card and failure to timely do so shall constitute an Advance. Upon not less than one business days' notice to Landlord, Landlord will deactivate any electronic key card specifically identified by Tenant as having been lost. Upon expiration or earlier termination of this Lease, Tenant shall return all such keys and electronic key cards to Landlord. In addition, Tenant shall have the right to install any additional security system for the Leased Premises at its sole cost and expense and any such installation shall constitute an Alteration (as defined in Section 6.2 hereof) for purposes of this Lease; provided Landlord's prior written consent for the additional security system shall (i) be deemed to have been granted and (ii) not be conditioned upon a requirement for Tenant to remove the same.

(d) Tenant acknowledges that it has inspected the Leased Premises and the mechanical, electrical, plumbing and heating, ventilation and air conditioning systems serving

the Leased Premises and agrees to accept the same in their "as is" condition, without warranty of any kind. Notwithstanding the foregoing, Landlord shall deliver the Leased Premises with the leasehold improvements set for the in Section 6.1 of the Lease.

5.2 Tenant's Obligations.

(a) Except as specifically provided in the foregoing Section, Tenant shall, at its sole cost and expense continuously keep and maintain the Leased Premises in a clean and safe condition and maintain the same in good repair. In the event that Landlord shall reasonably determine that Tenant has failed in any respect to observe and perform the covenant contained in the foregoing sentences of this Section, Landlord may (but shall not be obligated to) within ten (10) days after written notice from Landlord to Tenant, cause the Leased Premises to be maintained or repaired, and the cost thereof shall constitute an Advance.

(b) In the event that Landlord provides Tenant and/or Tenant's contractors with access to the Leased Premises prior to the Commencement Date neither Tenant nor its contractor's shall unreasonably interfere with the performance by Landlord or its contractors in completing the obligations of Landlord under

Section 5.1(d) hereof. During such time as Tenant or any of its contractors are in the Leased Premised prior to the Commencement Date (i) they shall not unreasonably interfere with any use of the Building by Landlord or any other tenant in the Building, (ii) Tenant shall be liable for any damage, loss or injury caused by any or such persons or to the Leased Premises and the Building, and (c) Tenant shall save, defend, indemnify and hold Landlord harmless from any such damage, loss or injury, including, without limitation, costs and expenses of investigating, defending and settling or litigating any claim, including reasonable attorneys' fees and disbursements, arising out of the presence of such persons in the Leased Premised or the Building prior to the Commencement Date.

5.3 Utilities.

(a) Subject to the Tenant's obligations under Section 3.2 hereof, Landlord shall ensure the delivery of and pay the cost of all utilities for the Building, including electricity, gas, hot and cold water, janitorial services, telephone, cable and other utility services installed for the Leased Premises or the occupants thereof, including, without limitation, fees and taxes thereon. Landlord shall additionally provide a generator for electricity that automatically provides back-up electric power for the Building in the event of a failure of the applicable utility to do so.

(b) Except as otherwise set forth in this Lease, Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility or other service being furnished to the Leased Premises, and no such failure or interruption shall entitle Tenant to any abatement of, set off or reduction in the amounts payable to Landlord hereunder or otherwise entitle Tenant to terminate this Lease. Notwithstanding the foregoing, if (i) an interruption or curtailment, suspension or stoppage of electrical service to the Building occurs and continues without restoration for more than twenty-four (24) hours after Landlord shall have received notice thereof from Tenant, and (ii) as a result of interruption or curtailment, suspension or stoppage of electrical service to the Building, the conduct of Tenant's normal operations in the Leased Premises are materially adversely affected, then Tenant may make such reasonable

repairs, replacements or alterations to the electrical generator serving the Building and Landlord shall reimburse Tenant for the cost thereof within ten (10) days after receipt of a third party invoice therefor. Landlord shall not be responsible for any cost or expense incurred by Tenant for damage or loss of any biological or medical materials, substances or supplies kept on the Leased Premises, whether resulting from any failure or interruption of any utility or other service being furnished to the Leased Premises, unless any such damage or loss results solely from the gross negligence or willful misconduct of Landlord or Landlord's agents, invitees, employees or contractors.

(c) Landlord shall keep and maintain the Leased Premises at a commercially reasonable temperature to comply with ASHRAE standards for office and laboratory occupancy, as applicable, between the hours of 8 a.m. to 6 p.m. on weekdays that are not official national or state holidays. Tenant acknowledges and understands that the temperature within the Leased Premises is centrally controlled and timed and is measured by sensors in the Leased Premises that are subject to manual override with respect to timing. Landlord agrees that so long as Tenant does not operate its business within the Leased Premises in more than a single shift that runs between such times, Tenant shall have the right to override the timing controls during off hours and on weekends to ensure that the Leased Premises are at a commercially reasonable temperature. However, in the event that Tenant shall maintain more than one operating shift, Tenant acknowledges and agrees that Landlord may charge Tenant for the additional utility charges incurred by Landlord to maintain the Leased Premises at a commercially reasonable temperature to comply with ASHRAE standards for. office and laboratory occupancy, as applicable, during off hours and weekends.

5.4 Force Majeure. Notwithstanding anything contained in this Lease to the contrary, Landlord shall not be liable to Tenant, nor shall the Base Rent or the Additional Rent abate, for failure or delay in furnishing water, heat, air-conditioning, electricity or maintenance service, when such failure or delay is occasioned by repairs, renewals or improvements or by any strike, lockout, work stoppage, labor controversy, accident, casualty or by any other cause beyond the reasonable control of Landlord. Such failure or delay shall not be deemed an act of eviction (constructive or otherwise) against Tenant nor shall such failure or delay in any way operate as a release from the prompt and punctual performance of Tenant's duties and obligations under this Lease.

5.5 Access to Leased Premises. Landlord may enter the Leased Premises after business hours, upon twenty-four (24) hours' notice to Tenant (and at any time and without notice in case of emergency), for the purposes of (a) inspecting the Leased Premises, (b) exhibiting the Leased Premises to prospective purchasers, lenders or, within one hundred eighty (180) days of the end of the Term, (c) determining whether Tenant is complying with all of its obligations hereunder, (d) supplying janitorial service and any other services to be provided by Landlord to Tenant hereunder, (e) posting notices of non-responsibility, and (f) making repairs or replacements required of Landlord under the terms hereof or repairs to any adjoining space or utility services or make repairs, alterations or improvements to any other portion of the Building. For such purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, on or about the Leased Premises (excluding Tenant's vaults, safes, storage facilities for sensitive materials, confidential patient files and similar areas designated in writing by Tenant in advance); and Landlord shall have the right to use any and all means which Landlord

may deem proper to open said doors in any emergency in order to obtain entry to the Leased Premises. If, as a result of any such inspection or for any reason, Landlord reasonably determines that Tenant has failed to meet its obligations under Section 5.2 hereof, Landlord shall so notify Tenant and Tenant shall immediately commence to cure any such failure. In the event Tenant refuses or neglects to commence and complete such cure within a reasonable time, Landlord may make or cause to be made such repairs. In such event, Landlord's cost to make such repairs shall constitute an Advance.

ARTICLE 6 - LEASEHOLD IMPROVEMENTS; ALTERATIONS; SIGNAGE

6.1 Leasehold Improvements. At its sole cost and expense, Landlord shall make the improvements to the Leased Premises detailed on Exhibit D attached hereto in the time period(s) provided on such Exhibit D. Landlord shall make or cause to be made such Exhibit D improvements promptly, in a good workmanlike manner, in compliance with all applicable permits and authorizations and building and zoning laws and all laws, in accordance with the orders, rules and regulations of the Board of Fire Insurance Underwriters and any other body hereafter exercising similar functions having or asserting jurisdiction over the Leased Premises, and according to the plans approved by Landlord. All such improvements shall become the property of Landlord at the expiration or termination of the Lease Term and shall be surrendered with the Leased Premises; provided, however, that Landlord may condition its consent to any such improvements to a condition requiring Tenant to remove any such improvements upon the expiration or termination of the Lease Term and restoring the Leased Premises to the condition which existed on the date Tenant took possession, subject to normal wear and tear and excepting condemnation or any casualty not caused by the gross negligence or willful misconduct of Tenant. In the event that Tenant desires to cause such improvements to be made prior to the Commencement Date and provided the Leased Premises is not otherwise occupied, Tenant is hereby granted a license to enter into the Leased Premises for such purpose, subject to the obligations of Tenant under Section 6.3 hereof.

6.2 Alterations.

(a) With the prior written consent of Landlord, Tenant may from time to time, at its sole cost and expense and after giving Landlord copies of all architectural plans and specifications and related governmental permits, make alterations, replacements, additions, changes, and improvements (collectively referred to in this Article as *"**Alterations**"*) in and to the interior of the Leased Premises as it may find necessary or convenient for operating the Leased Premises for the Permitted Use. Landlord may condition such consent as Landlord reasonably determines, including, without limitation, a condition requiring Tenant to remove any such Alteration upon the expiration or termination of the Lease Term and restoring the Leased Premises to the condition which existed on the date Tenant took possession, subject to normal wear and tear. Landlord shall give Tenant notice at the time of granting any such consent indicating whether Landlord will require Tenant to remove any such Alteration upon the

expiration or termination of the Lease Term. Notwithstanding the foregoing, Tenant shall be permitted, without Landlord's consent, to make alterations of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpet, so long as such alterations (i) are not visible from the exterior of the Leased Premises and (ii) do not affect the walls or windows (other that Landlord approved window coverings) of the Leased Premises; the roof, subfloor or any other

structural element of the Building; or the mechanical, electrical, plumbing, heating, ventilating, air-conditioning and fire protection systems of the Building, subject, however, to the right of Landlord to request that Tenant, at Tenant's sole cost and expense, to remove any of such alterations upon the expiration or earlier termination of this Lease.

(b) All Alterations made on the Leased Premises shall become the property of Landlord at the expiration or termination of the Lease Term and shall be surrendered with the Leased Premises. Notwithstanding the foregoing, so long as Tenant is not in default under this Lease at the time of such expiration or termination, Tenant may remove its trade fixtures (including, without limitation, data cabling) from the Leased Premises, subject, however to the obligation of Tenant to repair any damage by its removal of any such trade fixtures, which obligation shall survive such expiration or termination.

(c) Notwithstanding anything contained herein to the contrary, Tenant shall, at its sole cost and expense, make any non-structural Alteration to or on the Leased Premises, or any part thereof that may be necessary or required by reason of any law, rule, regulation or order promulgated by any competent government authority.

(d) Tenant shall make or cause to be made any Alteration promptly and in a good workmanlike manner, in compliance with all applicable permits and authorizations and building and zoning laws and all laws, in accordance with the orders, rules and regulations of the Board of Fire Insurance Underwriters and any other body hereafter exercising similar functions having or asserting jurisdiction over the Lased Premises.

(e) Tenant may contract with Landlord to complete construction of any Alteration and Landlord shall provide Tenant with a bid for the cost thereof prepared by Landlord's construction contractor(s). Alternatively, Tenant may obtain additional bids if it so chooses and engage its own contractor, provided Landlord receives copies of the bids and approves Tenant's contractor and proposed materials, in writing, prior to the commencement of the work relating to such Alteration. Landlord shall not be responsible for the quality or nature of the work performed by any contractor engaged by Tenant. Tenant shall indemnify and hold Landlord harmless from and against any damage to the Building, or any other loss, cost, expense or other liability suffered by Landlord by reason of the act or omission of any contractor so engaged by Tenant.

6.3 Liens. Tenant shall do all things necessary to prevent the filing of any construction, mechanics' or other liens or encumbrances against the Building or the Land, or any part thereof, or upon any interest of Landlord or any mortgagee of the Land and/or the Building, by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant, or anyone holding the Leased Premises, or any part thereof, through or under Tenant. If any such lien or encumbrance shall at any time be filed against the Leased Premises, or any portion thereof, Tenant shall either cause same to be discharged of record within thirty (30) days after the date of filing of same or, if Tenant in good faith determines that such lien should be contested, Tenant shall furnish such security as Landlord shall determine to be necessary and/or required to prevent any foreclosure proceedings against the Leased Premises, or any portion thereof, during the pendency of such contest, and Tenant shall cause the title insurance company or companies insuring the respective interests in the Leased Premises of Landlord and/or

Landlord's mortgagee(s) in any portion of the Leased Premises to remove such lien as a matter affecting title to the Leased Premises. If Tenant shall fail to discharge any such lien or encumbrance within such period or fail to furnish such security, then, in addition to any other right or remedy of Landlord resulting from said default of Tenant, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by giving security or in such other manner as is, or may be, prescribed by law, and all costs, expenses, and other sums of money spent by Landlord in connection therewith shall constitute an Advance. All materialmen, contractors, artisans, mechanics, laborers, and any other persons now or hereafter contracting with Tenant for the furnishing of any labor, services, materials, supplies, or equipment with respect to any portion of the Leased Premises, are hereby charged with notice that they must look exclusively to Tenant to obtain payment for same. Tenant shall indemnify and defend Landlord from and against any liability, loss, damage, costs, attorneys' fees, and any other expense incurred as a result of claims of lien by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant, which indemnity obligation shall survive the expiration or termination of this Lease. Tenant shall give Landlord notice of the intended commencement date at least ten (10) days prior to the commencement of any work for which a claim of lien may be filed to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Leased Premises and Landlord shall have the right to enter the Leased Premises and post such notices at any reasonable time.

6.4 Signage. Landlord shall, at its sole cost and expense, include Tenant's name in the Building directory. Landlord shall also place the suite number and Tenant name or in the immediate vicinity of the entry door to the Leased Premises. Tenant shall not have the right to install any other sign without Landlord's prior written consent. Any sign that Tenant is permitted to install shall fully comply with all present and future laws, ordinances, orders, rules, regulations and requirements of any governmental entity having jurisdiction over the Leased Premises, as well as the building and use restrictions applicable to the Leased Premises.

ARTICLE 7 - INSURANCE

7.1 Tenant's Insurance. Tenant covenants and agrees that from and after taking possession of the Leased Premises, Tenant shall carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(a) Comprehensive general liability insurance with limits of not less than One Million Dollars ($1,000,000) combined single limit per occurrence, and Two Million Dollars ($2,000,000) annual aggregate. If such insurance coverage has a deductible clause, the deductible amount shall not exceed Five Thousand Dollars ($5,000) per occurrence including loss adjustment expense, and Tenant shall be liable for such deductible amount.

(b) Worker's compensation insurance or self insurance as required by the State of Michigan and employer's liability insurance in amounts as reasonably determined by Tenant and reported to Landlord upon the execution of this Lease and upon any change in such amounts during the Lease Term.

(c) Insurance covering all leasehold and non-structural improvements located on the Leased Premises and all furniture, fixtures, equipment (including, without limitation, the Equipment), inventory, merchandise, and personal property (including, without limitation, signs and plate glass) from time to time in, on or upon the Leased Premises, in an amount not less than one hundred percent (100%) of their full replacement value, providing protection against any peril included within the classification "All Risk", together with insurance, if pertinent, against sprinkler damage. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed.

Tenant's obligation to maintain the insurance provided for in this Section may be brought within the coverage of any "blanket policy" or policies of insurance carried and maintained by Tenant provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policies of insurance. In the event that Tenant

shall fail to pay the premiums due for the insurance policies required by this Section, Landlord shall have the right, but not the obligation, to pay the same in which case any such payment shall constitute an Advance.

7.2 Policy Form.

(a) All policies of insurance required by the foregoing Section shall be issued by reputable and financially sound insurance companies reasonably satisfactory to Landlord having an A.M. Best Company rating of not less than "A" which are qualified to do business in the State of Michigan. All such policies shall be issued in the names of Tenant, and name Landlord and, if requested by Landlord, Landlord's mortgagee(s) as additional insureds and loss payees so that such policies shall be for the mutual and joint benefit and protection of Landlord, Tenant and any such mortgagee. Tenant shall deliver executed copies of such policies of insurance or certificates thereof to Landlord prior to Landlord's execution of this Lease. Thereafter, Tenant shall deliver executed copies of renewal policies or certificates thereof to Landlord within thirty (30) days prior to the expiration of the term of each such policy. As often as any such policy shall expire or terminate, Tenant shall procure and maintain renewal or additional policies in like manner and to like extent. All policies of insurance delivered by Tenant to Landlord shall contain a provision that the company writing said policy will give to Landlord and any mortgagee of Landlord not less than thirty (30) days' notice in advance of any modification, cancellation, lapse, or reduction in the amounts of insurance, and shall further contain an agreement that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Landlord or Tenant which might, absent such agreement, result in a forfeiture of all or part of the payment of such loss. All general liability, property damage, and other casualty policies shall be written on an occurrence basis as primary policies, not contributing with or in excess of coverage that Landlord may carry.

7.3 Landlord's Insurance.

(a) At all times from and after Tenant takes possession of the Leased Premises, Landlord shall maintain or cause to be maintained a policy or policies of insurance covering any peril generally included in the classification "all risk", covering the Leased Premises, in an amount which is the greater of one hundred percent (100%) of its full replacement value (exclusive of the cost of excavations, foundations and footings) or such greater amount as Landlord's mortgagee may require Landlord to maintain.

(b) Landlord shall obtain comprehensive general liability insurance with single limit coverage of up to $1,000,000 per occurrence, and Two Million Dollars ($2,000,000) annual aggregate.

(c) Landlord shall additional obtain and maintain such additional insurance as Landlord may be contractually obligated to provide, including, without limitation, $10,000,000 in coverage for environmental risk relating to existing as of the date of the acquisition of the Land and the Building by Tenant.

(d) Landlord's obligation to maintain the insurance provided for in this Section may be brought within the coverage of any "blanket policy" or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policies of insurance.

7.4 Subrogation Waiver. Landlord (for itself and its insurer) hereby waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) hereby waives any rights, including rights of subrogation, each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, to their respective property, the Leased Premises or its contents that are caused by or result from risks insured against under any insurance policies carried by the parties hereto and in force at the time of any such damage or which would have been covered by insurance required to be carried under this Lease. The foregoing waivers of subrogation shall be operative only so long as available in the State of Michigan and so long as no policy of insurance is invalidated thereby.

7.5 Insurance Use Restrictions. Tenant agrees that it will not carry any stock or goods or do anything in, on or about the Leased Premises that will substantially increase the insurance rates upon the building of which the Leased Premises are a part.

7.6 Indemnification.

(a) Tenant shall at all times indemnify Landlord for, defend Landlord for, defend Landlord against, and save Landlord harmless from, any liability, loss, cost, injury, damage or other expense or risk whatsoever that may occur or be claimed by or with respect to any person(s) or property on or about the Leased Premises and resulting directly or indirectly from the use, misuse, occupancy, possession or disuse of the Leased Premises by Tenant or other persons claiming through or under Tenant, or their respective agents, employees, licensees, customers, invitees, guests or other such persons, or from the condition of the Leased Premises. Tenant shall, at its cost and expense, defend Landlord against any and all such actions, claims and demands and shall indemnify Landlord for all costs, expenses and liabilities it may incur in connection therewith, including, without limitation, reasonable attorneys' fees and expenses. Landlord shall not in any event whatsoever be liable for any injury or damage to the Leased Premises or to Tenant or to any other persons claiming through or under Tenant, or their respective agents, employees, licensees, invitees, guests or other such persons or to any property of any such persons; provided, however, that Landlord shall be so liable to the extent any such injury arises out of the negligence or willful misconduct of Landlord or persons acting by or on behalf of Landlord. Except in the case of such negligence or willful misconduct, Tenant shall not make any claim or demand upon or institute any action against Landlord as a result of such

injury or damage. Tenant covenants and agrees during the Lease Term to pay when due or reimburse and indemnify and hold Landlord harmless from and against all inspection fees, taxes, bonds, permits, certificates, assessments and sale, use, property or other taxes, fees or tolls of any nature whatsoever (together with any related interest or penalties) now or hereafter imposed against Landlord or Tenant by any federal, state, county or local governmental authority upon or with respect to the Leased Premises or the use thereof or upon the possession, leasing, use, operation or other disposition thereof or upon the rents, receipts or earnings arising therefrom or upon or with respect to this Lease (excepting only federal, state (other than the Michigan Business Tax) and local net income taxes on the income of Landlord). The foregoing indemnity shall survive the expiration or earlier termination of the term of this Lease.

(b) Landlord shall indemnify Tenant for, defend Tenant against, and save Tenant harmless from, any liability, loss, cost, injury, or damage to the extent resulting from the use, misuse, occupancy, possession or disuse of the Leased Premises by Landlord or Landlord's agents, guest, clients, employees, licensees, invitees. Landlord shall, at its cost and expense, defend Tenant against any and all such actions, claims and demands and shall indemnify Tenant for all costs, expenses and liabilities it may incur in connection therewith, including, without limitation, reasonable attorneys' fees and expenses. Tenant shall not in any event whatsoever be liable for any injury or damage to the Leased Premises or to Landlord or to any other persons claiming through or under Landlord, or their respective agents, employees, licensees, invitees, guests or other such persons or to any property of any such persons; provided, however, that Tenant shall be so liable to the extent any such injury arises out of the negligence or willful misconduct of Tenant or persons acting by or on behalf of Tenant. Except in the case of such negligence or willful misconduct, Landlord shall not make any claim or demand upon or institute any action against Tenant as a result of such injury or damage. The foregoing indemnity shall survive the expiration or earlier termination of the term of this Lease.

ARTICLE 8 - DAMAGE TO OR CONDEMNATION OF THE LEASED PREMISES

8.1 Damage to the Leased Premises.

(a) If by reason of fire or other casualty the Leased Premises are damaged and Landlord reasonably determines that either twenty five percent (25%) or more of the area of the Leased Premises or of the Building have become untenantable as a result, which determination shall be made and notice thereof given to Tenant within thirty (30) days of such fire or other casualty, then either Landlord or Tenant may, within thirty (30) days after such fire or casualty, give the other notice of its election to terminate this Lease, in which event this Lease shall terminate effective as of the date of such fire or casualty. Upon such termination, Landlord and Tenant shall each thereafter be released from any further liability accrued under this Lease. Tenant shall pay Landlord the Base Rent and the Additional Rent up to such date; provided, however, that Tenant shall receive a proportionate refund from Landlord of any prepaid Base Rent or Additional Rent. In the event that neither Landlord nor Tenant exercises its option to terminate this Lease, then Landlord shall repair or restore such damage, this Lease shall continue in full force and effect, except that Tenant shall be entitled to a proportionate abatement in rent from the date of such damage until Leased Premises are restored to a tenantable condition, as determined by the Landlord in the exercise of its reasonable discretion. Such abatement of rent shall be made pro rata in accordance with the extent to which the damage and the making of such

repairs shall materially interfere with the use and occupancy by Tenant of the Leased Premises from time to time.

(b) If by reason of fire or other casualty the Leased Premises are damaged and Landlord determines that less than twenty-five percent (25%) of the area of the Leased Premises and the Building are damaged but all or some portion of the Leased Premises are untenantable as a result, Landlord shall, at its sole cost and expense, promptly restore that portion of the Leased Premises to a condition substantially similar to that existing at the Commencement Date. Similarly, Tenant shall, upon completion of Landlord's restoration or, to the extent practicable, in concert therewith, restore the remainder of the Leased Premises to such condition at its sole cost and expense. If such repairs cannot, in Landlord's reasonable estimation, be made within one hundred eighty (180) days, Landlord and Tenant shall each have the option of giving the other, at any time within ninety (90) days after such damage, notice terminating this Lease as of the date of such damage. In the event of the giving of such notice, this Lease shall expire and all interest of the Tenant in the Leased Premises shall terminate as of the date of such damage as if such date had been originally fixed in this Lease for the expiration of the Lease Term. In the event that neither Landlord nor Tenant exercises its option to terminate this Lease, then Landlord shall repair or restore such damage, this Lease shall continue in full force and effect, except that Tenant shall be entitled to a proportionate abatement in rent from the date of such damage until Leased Premises are restored to a tenantable condition, as determined by the Landlord in the exercise of its reasonable discretion. Such abatement of rent shall be made pro rata in accordance with the extent to which the damage and the making of such repairs shall materially interfere with the use and occupancy by Tenant of the Leased Premises from time to time.

(c) Subject to subsection (a) of this Section, notwithstanding the partial or total destruction of the Leased Premises and any part thereof, there shall be no abatement of the Base Rent, the Additional Rent or of any other obligation of Tenant hereunder by reason of such damage or destruction except to the extent Landlord is covered by and receives payment under a policy of insurance covering rent loss in the event of casualty. In the event Landlord receives any such payment, Landlord shall give Tenant notice of the amount of such payment on a per month basis and the amount of the Base Rent shall be reduced by the amount of such monthly payment. In the event any such insurance benefit is reduced, eliminated or expires, Landlord shall so notify Tenant and any abatement of the Base Rent shall be equally reduced or eliminated, as the case may be.

(d) In the event Landlord elects or is required to repair or restore the Leased Premises after any casualty, and such repair or restoration activities require the removal of Tenant's property, including furniture and trade fixtures or equipment which might otherwise impede or obstruct the repair or restoration of the Leased Premises, Landlord shall have the right, at Tenant's sole cost and expense, to remove, store and replace (after completion of such repairs or restoration) such furniture, trade fixtures and equipment on behalf of Tenant. Tenant shall pay Landlord the cost of any such removal, storage or replacement, in whole or in part, within ten (10) days after receipt of an invoice therefor from Landlord. The failure of Tenant to pay any such invoice within such ten (10) day period shall constitute an Advance in the amount of such invoice.

8.2 Condemnation.

(a) In the event that the entire Leased Premises is taken by any public authority under the power of eminent domain or sold for public or quasi-public use in lieu of condemnation, then this Lease shall terminate as of the effective date of such taking. Tenant shall pay Landlord the Base Rent and Additional Rent up to such date; provided, however, that Tenant shall receive a proportionate refund from Landlord of any prepaid Base Rent and Additional Rent up to such date. Upon such termination, Landlord and Tenant shall each thereafter be released from any further liability accrued under this Lease.

(b) In the event that (i) Landlord reasonably determines (which determination shall be set forth in a notice from Landlord to Tenant given within thirty (30) days after a final determination that such taking or sale will occur) that less than all, but thirty-five percent (35%) or more, of the area of the Building is taken under eminent domain or sold for public or quasi-public use in lieu of condemnation, or (ii) by reason of any appropriation or taking, regardless of the amount so taken, the remainder of the Land is not one undivided parcel of property, either Landlord or Tenant shall have the right to terminate this Lease by giving the other notice thereof to the other within thirty (30) days after the date of such notice. In the event that either party hereto so elects to terminate this Lease, Tenant shall immediately pay Landlord the Base Rent and the Additional Rent up to the effective date of such taking; provided, however, that Tenant shall receive a proportionate refund from Landlord of any prepaid portion of the Base Rent and the Additional Rent up to such date. In the event neither party elects to terminate this Lease, Tenant shall continue in possession of the remainder of the Leased Premises, and all of the terms and conditions of this Lease shall continue in full force and effect, except that the Base Rent and the Tenant's Proportionate Share shall be reduced in proportion to the area of that portion of the Leased Premises taken, and Landlord shall, at its own cost and expense and as expeditiously as practicable, make all repairs or alterations to the Leased Premises necessary to constitute the remainder of the Leased Premises a complete architectural unit substantially similar, excepting size, to the Leased Premises before such taking. Tenant hereby waives any statutory rights of termination that may arise by reason of any partial taking of the Leased Premises under the power of eminent domain.

(c) All damages awarded for any taking under the power of eminent domain or as consideration for a sale in lieu of condemnation, whether for all or a part of the Leased Premises, shall belong to and be the property of Landlord; provided, however, that Landlord shall not be entitled to any award or consideration made to Tenant for loss of business or removal of furniture, fixtures and other equipment installed on the Leased Premises by Tenant.

(d) In the event Landlord elects or is required to repair or restore the Leased Premises after any such taking, and such repair or restoration activities require the removal of Tenant's property, including furniture and trade fixtures or equipment which might otherwise impede or obstruct the repair or restoration of the Leased Premises, Landlord shall have the right, at Tenant's sole cost and expense, to remove, store and replace (after completion of such repairs or restoration) such furniture, trade fixtures and equipment on behalf of Tenant. Tenant shall pay Landlord the cost of any such removal, storage or replacement, in whole or in part, within ten (10) days after receipt of an invoice therefor from Landlord. The failure of Tenant to pay any

such invoice within such ten (10) day period shall constitute an Advance in the amount of such invoice.

(e) For purposes of this Section only, a voluntary sale or conveyance under threat and in lieu of condemnation shall be deemed an appropriation or taking under the power of eminent domain.

(f) Landlord and Tenant shall promptly notify the other of any notice Landlord and Tenant shall receive of any threatened condemnation or other action under the power of eminent domain involving the Leased Premises.

ARTICLE 9 - ASSIGNMENT AND SUBLETTING; SUBORDINATION

9.1 Landlord's Consent Required. For purposes of this Article, the terms "assign" and "assignment" shall include and mean any act attempting to, or document purporting to, assign, transfer, sublet, enter into license or concession agreements for, change ownership of, mortgage or hypothecate this Lease or Tenant's interest in and to the Leased Premises or any part thereof. Tenant shall not assign this Lease or all or any portion of Tenant's interest in and to the Leased Premises without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, but may be conditioned upon receipt by Landlord of notice requesting such consent, which notice shall set forth the terms of any such assignment or sublet and provide credit information on any proposed assignee in form and substance satisfactory to Landlord. Any attempted assignment without such consent shall be void, and shall constitute a breach of this Lease. For purposes hereof, a change in the majority ownership of and/or the power to vote the majority of the outstanding voting securities of Tenant occurring in one or a series of related transactions shall constitute an assignment of this Lease.

9.2 Assumption of Obligations. Any assignment to which Landlord has consented shall be by an instrument in writing and any assignee, transferee, licensee, concessionaire, or mortgagee shall agree for the benefit of Landlord to be bound by, assume and perform all of the terms, covenants and conditions of this Lease.

9.3 Assignment to Affiliate. Notwithstanding anything to the contrary contained in this Article, Tenant shall have the right to assign this Lease, or sublet the Leased Premises or any portion thereof, without the consent of Landlord, to any corporation (a) with which it may merge or consolidate, (b) which is a parent or subsidiary of Tenant, or (c) which is the successor corporation to Tenant in the event of a corporate reorganization or sale of all or substantially all its capital stock or assets, provided that said assignee assumes, in full, the obligations of Tenant under this Lease and Tenant remains primarily liable under this Lease.

9.4 Hypothecation of Lease. Without the prior written consent of Landlord, Tenant may not mortgage, pledge or otherwise encumber its leasehold estate hereunder, and any attempt to mortgage, pledge or otherwise encumber such estate shall be null and void and of no force and effect.

9.5 No Release of Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rent and other charges to be paid, and to perform all other obligations to be performed,

by Tenant hereunder. The acceptance of rent by Landlord from any other person or entity shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor Tenant, in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee. Landlord may consent to subsequent assignments of this Lease or sublet of the Leased Premises, or amendments or modifications to this Lease with assignees of Tenant, upon notice to Tenant, or any successor of Tenant, but without obtaining its or their consent thereto and such action shall not relieve Tenant of liability under this Lease.

9.6 Excess Rent. In the event that Tenant shall sublease all or any portion of the Leased Premises as permitted by this Article, and the rent payable under any such sublease shall exceed the Base Rent payable hereunder, Tenant shall pay Landlord such excess with each installment of Base Rent due under this Lease; provided, however, that in the event any such sublease is only of a portion of the Leased Premises, any such excess shall be determined by pro rating the Base Rent on the basis of the portion so subleased.

9.7 Subordination. At Landlord's option, this Lease shall be subordinate to any superior lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Leased Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. In furtherance thereof, Tenant hereby agrees, upon request by Landlord, to execute and deliver an agreement so subordinating this Lease and attorning to the holder of any such superior interest. Landlord shall use commercially reasonable efforts to cause any such holder to agree not to disturb the tenancy of Tenant under this Lease upon default by Landlord of the terms of any instrument evidencing such superior interest. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's mortgages providing to Tenant a non-disturbance agreement in form reasonably acceptable to Tenant.

ARTICLE 10 - DEFAULT; REMEDIES

10.1 Events of Default. The occurrence of any one or more of the following events shall constitute material default by Tenant under this Lease (each an *"**Event of Default**"*):

(a) The failure by Tenant to make any payment when due of Base Rent, Additional Rent or any other payment required to be made by Tenant hereunder, where such failure shall continue for a period of five (5) days; provided, however, that Tenant shall be entitled to an additional ten (10) days' grace not more often than once each calendar year during the Term.

(b) Except as otherwise provided in this Lease, the failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in the foregoing clause (a), where such failure shall continue for a period of thirty (30) days after notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant

commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion and the final determination thereof within not more than ninety (90) days.

(c) Tenant shall abandon the Leased Premises by failing to conduct normal business operations within the Leased Premises for more than thirty (30) consecutive days.

(d) (i) The making by Tenant of any general arrangement or general assignment for the benefit of creditors; (ii) Tenant becomes a "debtor" as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (iv) the attachment, execution, or other judicial seizure of substantially all of Tenant's assets or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days; or (v) this Lease or the leasehold estate created hereby any estate of Tenant hereunder shall be levied upon under any attachment or

execution and such attachment or execution is not vacated, bonded or stayed within sixty (60) days. In the event that any provision of this subsection (d) is contrary to any applicable law, such provision shall be of no force or effect.

10.2 Remedies. Upon the occurrence of an Event of Default, Landlord may at any time thereafter, with reasonable notice, but without demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

(a) Terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease and the term hereof shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, without limitation, the cost of recovering possession of the Leased Premises, expenses of re-letting, including reasonable and necessary renovation and alteration of the Leased Premises, reasonable attorneys' fees and expenses, any real estate commission actually paid, and the present value of the unpaid Base Rent for the balance of the Lease Term determined on the basis of a discount rate equal to seven percent (7%) per annum.

(b) Maintain Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease and the term hereof shall continue in effect whether or not Tenant shall have vacated or abandoned the Leased Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under the Lease, including the right to recover the rent as it becomes due hereunder.

(c) Pursue any other remedy now or hereafter available to Landlord under this Lease or under the laws or judicial decisions of the State of Michigan.

10.3 Remedies Cumulative. The rights and remedies whether herein or anywhere else in this Lease provided shall be cumulative, and the exercise of any one right or remedy, or any single or partial exercise of any such right or remedy, shall not preclude the exercise of or act as a waiver of any other right or remedy of Landlord hereunder, or which may be existing at law, or in equity or by statute or otherwise; provided, however, that any liquidated damages provided for

herein shall be Landlord's sole remedy for the Event of Default for which such damages are provided.

10.4 Indemnity for Default. In addition to the foregoing, Tenant, and its successors and assigns, shall at all times indemnify Landlord for, defend Landlord against and save Landlord harmless from any liability, loss, cost, injury, damage or other expense or risk whatsoever (including, without limitation, reasonable attorney's fees and expenses actually incurred), directly or indirectly, arising out of, resulting from or otherwise in connection with (a) the failure for any reason on the part of Tenant to perform, observe or comply with any of the covenants, conditions and obligations under this Lease to be performed, observed or complied with by Tenant, and/or (b) the breach of any representation or warranty given by Tenant in this Lease.

10.5 Bankruptcy. If, as a matter of law, Landlord has no right on the bankruptcy of Tenant to terminate this Lease, then, if Tenant, as debtor, or its trustee wishes to assume or assign this Lease, in addition to curing or adequately assuring the cure of all defaults existing under this Lease on Tenant's part on the date of filing of the proceeding (such assurances being defined below), Tenant, as debtor, or the trustee or assignee must also furnish adequate assurances of future performance under this Lease (as defined below). Adequate assurance of curing defaults means the posting with Landlord of a sum in cash sufficient to defray the cost of such a cure. Adequate assurance of future performance under this Lease means posting a deposit equal to three (3) months' rent, including all other charges payable by Tenant hereunder and, in the case of an assignee, assuring Landlord that the assignee is financially capable of assuming this Lease, and that its use of the Leased Premises will not be detrimental to the other tenants in the Building or Landlord. In a reorganization under Chapter 11 of the Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within one hundred twenty (120) days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease.

ARTICLE 11 - EXPIRATION

11.1 Surrender of Possession.

(a) Upon termination of this Lease, Tenant shall immediately surrender the Leased Premises to Landlord in substantially the same condition as when first occupied by Tenant, reasonable wear and tear, casualty and condemnation excepted. Tenant shall also shall surrender all keys for the Leased Premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. Except as provided in Section 6.2 hereof, all Alterations, or improvements made by either Landlord or Tenant upon the Leased Premises (except movable office furniture and trade fixtures installed at Tenant's expense) shall remain upon and be surrendered with the Leased Premises upon termination of this Lease, without molestation or injury, and shall become the property of Landlord.

(b) In the event that the removal of any personal property or trade fixtures by or on behalf of Tenant shall damage the Leased Premises, Tenant shall, at its sole cost and expense, cause such damage to be immediately repaired. In the event Tenant shall so fail to

cause repair of any such damage, ten (10) days after written notice to Tenant, Landlord may do so and Tenant shall pay Landlord the reasonable cost of any such repair incurred by Landlord within ten (10) days after receiving an invoice therefor from Landlord, together with interest at the Default Rate if not paid within such ten (10) day period. Any such payment obligation shall survive this Lease.

11.2 Holding Over. If Tenant remains in possession of the Leased Premises or any part thereof after the expiration or termination of the Lease Term, such occupancy shall be a tenancy from month-to-month upon all the provisions of this Lease pertaining to the obligations of Tenant and Tenant shall thereby waive its rights of notice to quit, but all options, if any, granted under the terms of this Lease shall be deemed terminated and be of no further force or effect. The Base Rent during such hold-over period shall be equal to one-hundred fifty percent (150%) of the monthly installment of Base Rent payable immediately prior to expiration or termination of the Lease Term. In addition, Tenant shall continue to be obligated to pay all other amounts required to be paid by the terms of this Lease.

11.3 Re-Renting. For a period commencing one hundred eighty (180) days prior to the termination of this Lease, Landlord may show the Leased Premises to prospective tenants accompanies by Landlord or its agent(s), during reasonable hours and upon reasonable notice to Tenant. In addition, the Landlord shall be entitled to post signs on or about the Leased Premises indicating its availability for rent.

ARTICLE 12 - GENERAL PROVISIONS

12.1 Rules. Tenant shall faithfully observe and comply with the rules and regulations annexed to this Lease as Exhibit E and, after notice thereof, all reasonable modifications thereof and additions thereto from time to time promulgated in writing by Landlord, provided that Tenant shall only be required to comply with rules and regulations which are reasonable and nondiscriminatory and which (a) Tenant is given thirty (30) days advance notice of; (b) are for the safety, care, order, and cleanliness of the Common Areas; (c) do not unreasonably or materially interfere with Tenant's conduct of its business or Tenant's use and enjoyment of the Leased Premises; and (d) do not require payment of additional moneys. If there is a conflict between Exhibit E or any modification and the Articles of this Lease, the Articles of this Lease shall control.

12.2 Estoppel Certificates.

At any time upon not less than ten (10) business days' prior notice from Landlord, Tenant shall execute, acknowledge and deliver to Landlord and any other person or entity named in such notice a statement in a form prescribed by Landlord certifying and acknowledging that (a) this Lease represents the entire agreement between Landlord and Tenant, and is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Base Rent and other charges are paid in advance, if any, and (b) there are not, to Tenant's knowledge, any uncured defaults on the part of Tenant, or specifying such defaults if any are claimed. Any prospective purchaser or encumbrancer of the Leased Premises or the business of Landlord may conclusively rely upon any such statement.

12.3 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

12.4 Entire Agreement. There are no oral or written agreements or representations between the parties hereto affecting this Lease, and this Lease and the Exhibits hereto supersede and cancel any and all previous negotiations, arrangements, representations, brochures, displays, projections, estimates, agreements, and understandings, if any, made by or between Landlord and Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret, construe, supplement, or contradict this Lease. This Lease, and the Exhibits hereto, and all amendments hereto, constitute and shall be considered to be the only agreement between Landlord and Tenant. All negotiations and oral agreements acceptable to Landlord and Tenant have been merged into and are included herein and in the Exhibits hereto.

12.5 Notices. Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery, certified mail, return receipt requested or by nationally recognized overnight courier service and if given personally or by mail or courier service, shall be deemed sufficiently given if addressed to Tenant or to Landlord, as the case may be, at the addresses for Landlord and Tenant set forth in the Fundamental Lease Provisions. Either party may by notice to the other specify a different address for notice purposes. A copy of all notices required or permitted to be given to Landlord hereunder shall be concurrently transmitted to such party or parties at such addresses as Landlord may from time to time hereafter designate by notice to Tenant.

12.6 Waivers. No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Tenant of the same of any other provision. Landlord's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act by Tenant. The acceptance of Base Rent or any other payment from Tenant hereunder by Landlord shall not be a waiver of any preceding default by Tenant of any provision hereof, other than the failure of Tenant to pay the particular installment of Base Rent or payment so accepted, regardless of Landlord's knowledge of such preceding default at the time of acceptance of such installment or payment.

12.7 Recording. Either Landlord or Tenant shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes. Such memorandum shall be in the form prescribed by Landlord and shall contain no more than the names of the parties, a description of the Leased Premises and the Lease Term. In addition, Landlord shall have the unilateral right to record an instrument evidencing early termination of the Lease upon the exercise of such remedy by Landlord as permitted by this Lease, which right shall survive such termination. For purposes of the foregoing sentence, Tenant hereby grants to Landlord an irrevocable power of attorney, coupled with an interest and with full power of substitution, to execute and deliver any such instrument evidencing termination of this Lease for purposes of the public records.

12.8 Choice of Law. This Lease shall be governed, construed and enforced in accordance with the internal laws of the State of Michigan, without giving effect to principals of conflicts of law.

12.9 Attorneys' Fees. Should either party institute any action or proceeding to enforce any provision hereof or for a declaration of such party's rights or obligations hereunder, the prevailing party shall be entitled to receive from the losing party such amounts as the court may adjudge to be reasonable attorneys' fees for services rendered to the party prevailing in any such action or proceeding, and such fees shall be deemed to have accrued upon the commencement of such action or proceeding and shall be enforceable whether or not such action or proceeding is prosecuted to judgment.

12.10 Liability of Landlord.

(a) In the event of any sale or other transfer of Landlord's interest in the Leased Premises, Landlord shall be and hereby is entirely freed and relieved of all liabilities and obligations of Landlord hereunder arising after the date of such transfer. Landlord shall transfer or deliver the Security Deposit to Landlord's successor in interest and thereupon Landlord shall be discharged from any further liability with regard to the Security Deposit.

(b) Notwithstanding anything contained herein to the contrary, Landlord shall have no personal liability in respect of any of the terms, covenants, conditions or provisions of this Lease, and in the event of a breach or default by Landlord of any of its liabilities and obligations under this Lease, Tenant and any persons claiming by, through or under Tenant shall look solely to the equity of Landlord in the Leased Premises for the satisfaction of Tenant's and/or such persons' remedies and claims for damages.

12.11 No Merger. There shall be no merger of this Lease, or the leasehold estate created by this Lease, with any other estate or interest in the Leased Premises, or any part thereof, by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly, (a) this Lease or the leasehold estate created by this Lease, or any interest in this Lease or in any such leasehold estate, and (b) any such other estate or interest in the Leased Premises or any part thereof; and no such merger shall occur unless and until all persons, corporations, firms and other entities having an interest (including a security interest) in (i) this Lease or the leasehold estate created by this Lease; and (ii) any such other estate or interest in the Leased Premises, or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

12.12 Definition of Rent. All monetary obligations of Tenant to Landlord under the terms of this Lease shall be deemed to be "rent."

12.13 Interpretation. The captions by which the Articles and Sections of this Lease are identified are for convenience only and shall have no effect upon the interpretation of this Lease. Whenever the context so requires, singular numbers shall include the plural, the plural shall refer to the singular, the neuter gender shall include the masculine and feminine genders, and the words "Landlord" and "Tenant" and "person" shall include corporations, partnerships, associations, other legal entities, and individuals. Both parties represent and warrant to each other that each has been represented by competent legal counsel and that this Lease shall not be construed against Landlord as the drafting party.

12.14 Relationship of the Parties. Nothing in this Lease shall create a partnership, joint venture, employment relationship, borrower and lender relationship, or any other relationship between Landlord and Tenant other than the relationship of landlord and tenant.

12.15 Successors. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective personal and legal representatives, heirs, successors, and assigns.

12.16 Modifications. This Lease may not be altered, amended, changed, waived, terminated, or modified in any manner unless the same shall be in writing and signed by or on behalf of the party to be bound.

12.17 Brokerage and other Fees. Tenant and Landlord represent and warr-ant to each other that neither has employed a broker in connection with the execution of this Lease that is entitled to a commission or will pay any commissions relating to this Lease. Landlord and Tenant shall each indemnify and hold the other harmless from and against any claim or claims for brokerage or other commissions arising from such party having employed a broker contrary to its representation in this Section. Tenant shall be solely responsible for any other fees or charges due any other advisor engaged by Tenant in connection with this Lease, including, without limitation, legal counsel and any leasing consultant, whether or not any such advisor is also listed in the Fundamental Lease Provisions as Tenant's broker.

12.18 Waiver of Redemption. To the extent permitted by law, Tenant hereby waives any and all rights of redemption with respect to this Lease. Tenant hereby waives any rights it may have to any notice to cure or vacate or to quit provided by any current or future law; provided that the foregoing shall not be deemed to waive any notice expressly provided in this Lease.

12.19 Not Binding Until Executed. This Lease does not constitute an "offer" and is not binding until fully executed and delivered by Landlord. By execution of this Lease, both parties represent and warrant to the other that they have the power and authority to enter into and perform their respective obligations under this Lease.

12.20 Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute one and the same instrument, and all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

Landlord and Tenant have caused their duly authorized representatives to execute this Lease as of the day and year written above.

LANDLORD:

MICHIGAN LIFE SCIENCE AND INNOVATION CENTER LLC

By Ann Arbor Spark Foundation
Its Sole Member

By /s/ Michael A. Finney
Michael A. Finney
Its President

TENANT:

ESPERION THERAPEUTICS, INC.

By /s/ Roger S. Newton
Name: Roger S. Newton
Title: PRES/CEO

EXHIBIT A — LEGAL DESCRIPTION OF LAND

Real property in the Township of Plymouth, County of Wayne, State of Michigan, described as follows:

A part of the south 1/2 of Section 21, Town 1 South, Range 8 East, Township of Plymouth, Wayne County, Michigan, being more particularly described as: commencing at the southeast corner of said Section 21; thence North 02 degrees 17 minutes 11 seconds West, 962.25 feet along the east line of said Section 21 to a point on the northerly right-of-way line of M-14; thence South 87 degrees 07 minutes 29 seconds West, 3710.50 feet along said right-of-way line to the point of beginning, the following three courses being along the northerly right-of-way line of M-14: (1) continuing South 87 degrees 07 minutes 29 seconds West, 64.95 feet, and (2) North 78 degrees 22 minutes 31 seconds West, 258.62 feet, and (3) North 60 degrees 26 minutes 00 seconds West, 156.36 feet; thence North 05 degrees 43 minutes 23 seconds East, 686.13 feet to a point on the southerly line of a concrete road, the following five courses being along said line: (1) along a curve to the right, 46.61 feet, said curve having a radius of 320.00 feet, central angle of 08 degrees 20 minutes 45 seconds and a long chord bearing of South 69 degrees 50 minutes 14 seconds East, 46.57 feet, and (2) South 65 degrees 39 minutes 51 seconds East, 97.51 feet, and (3) along a curve to the left, 115.62 feet, said curve having a radius of 356.00 feet, central angle of 18 degrees 36 minutes 30 seconds and a long chord bearing of south 74 degrees 58 minutes 06 seconds East, 115.11 feet, and (4) south 84 degrees 16 minutes 21 seconds East, 114.23 feet, and (5) along a curve to the left, 100.49 feet, said curve having a radius of 355.00 feet, central angle of 16 degrees 13 minutes 06 seconds and a long chord bearing of North 87 degrees 37 minutes 06 seconds East, 100.15 feet; thence South 05 degrees 43 minutes 23 seconds West, 718.97 feet to the point of beginning.

Together with the non-exclusive easement rights set forth in Planned Unit Development Agreement for North Plymouth Research Park dated June 4, 1987, recorded on June 12, 1987 in Liber 23288, Page 461, re-recorded on January 19, 1990 in Liber 24503, Page 929 and amended by Assignment of Development Rights dated October 12, 1987, recorded on October 20, 1987 in Liber 23476, Page 828 and Assignment of Development Rights dated January 17, 1990, recorded on January 19, 1990 in Liber 24503, Page 912 and further amended by Supplement to Restriction Agreement for North Plymouth Research Park dated March 28, 1990, recorded on April 17, 1990 in Liber 24609, Page 947 and further amended by Second Supplement to Restriction Agreement for North Plymouth Research Park dated November 20, 1990, recorded on May 7, 1992 in

Liber 25748, Page 151, Wayne County Records, (as assigned and supplemented, the Third Supplement to Restriction Agreement recorded in Liber 28324, Page 204 and Fourth Supplement to Restriction Agreement recorded in Liber 29113, Page 552, Wayne County Records.

EXHIBIT B — SKETCH OF LEASED PREMISES

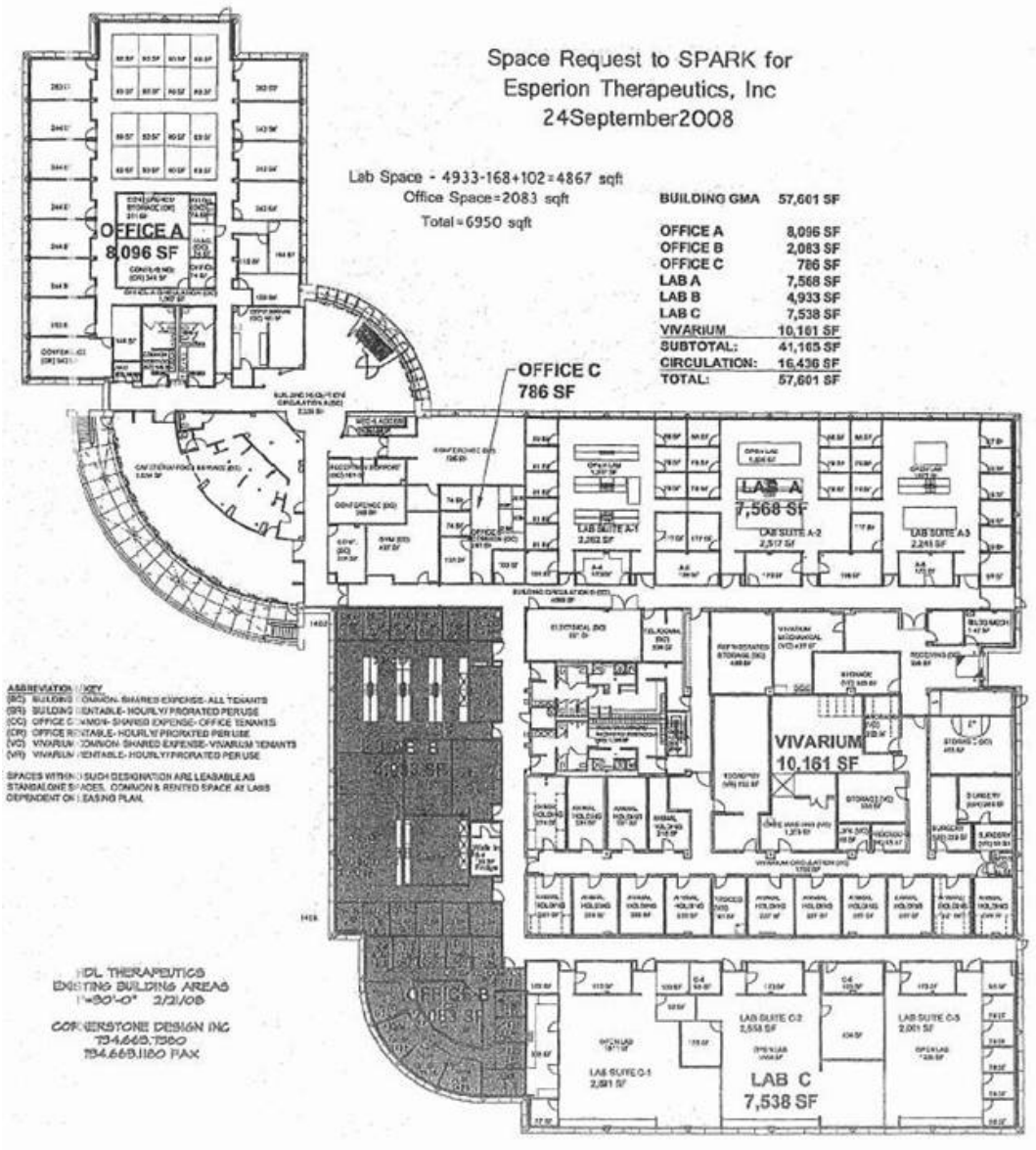


EXHIBIT C — LEASED EQUIPMENT AND TERMS OF USE

Equipment Description

Any Equipment which exists within the Leased Premises or in the Building as of the Commencement Date of the Lease, with the exception of the equipment owned by Tenant, listed on Exhibits C-1 and C-2 attached hereto.

Terms of Use

1. The Equipment shall be used only by Tenant and its employees and contractors and only within the Building.

2. Tenant shall be responsible for any damage to the Equipment resulting from the use or misuse of the Equipment by Tenant or its employees, agents, contractors, or others, excepting normal wear and tear, and insured loss by casualty.

3. LANDLORD MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER REGARDING THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LANDLORD AND/OR TENANT'S RIGHT, TITLE AND INTEREST IN THE EQUIPMENT, ITS CONDITION, ITS MERCHANTABILITY, OR ITS FITNESS, ADAPTABILITY OR SUITABILITY FOR ANY PARTICULAR PURPOSE. TENANT ACCEPTS THE EQUIPMENT FROM LANDLORD "AS IS" AND "WHERE IS", IN ITS CONDITION AS WHEN DELIVERED TO TENANT. THE FOREGOING SHALL NOT LIMIT THE LIABILITY OF THE MANUFACTURER(S) OF THE EQUIPMENT UNDER ANY WARRANTY PROVIDED BY SUCH MANUFACTURER(S) THAT BENEFITS USER BY ITS TERMS.

4. IN NO EVENT SHALL LANDLORD BE LIABLE ON ANY TYPE OF CLAIM, INCLUDING NEGLIGENCE, STRICT OR PRODUCT LIABILITY, OR BREACH OF CONTRACT OR WARRANTY, OR FOR ANY LOSS OR DAMAGE, DIRECT OR INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL, INCLUDING BUT NOT LIMITED TO, BUSINESS INTERRUPTION, LOSS OF PROFITS AND INJURY TO PERSONS OR PROPERTY, ARISING OUT OF OR CONNECTED WITH ANY USE OR MISUSE BY TENANT OF THE EQUIPMENT, OR THE OPERATION OR DEFECTIVE CONDITION, NON-MERCHANTABILITY OR NON-SUITABILITY, OR USE OF THE EQUIPMENT.

5. Tenant agrees to defend, indemnify and hold Landlord harmless and trustees, officers, employees, agents affiliates, successors and assigns from and against and all claims, liens, demands, actions, causes of action losses, judgments, obligations, liabilities, damages, costs or expenses of every nature (including reasonable attorneys' fees), to the extent arising from Tenant's or Tenant's directors, officers, employees, contractors, agents, affiliates, successors and assigns (i) negligence or willful misconduct in the use of the Equipment, (ii) misuse of the Equipment, and (iii) failure to maintain the Equipment in good and safe operating condition

6. Tenant shall use the Equipment only in the ordinary course of Tenant's business, within the Equipment's normal capacity, excepting only normal wear and tear, and insured loss by casualty. Tenant shall be responsible for all maintenance and repairs to the Equipment during the Lease Term and shall maintain the same in good working condition and repair at Tenant's sole cost and expense. Tenant shall use and maintain the Equipment in a manner consistent with all current, local, state and federal safety codes, laws and regulations. Tenant shall not transfer or relocate or permit or suffer any third party to relocate the Equipment outside of the Building, nor shall Tenant take any action or omit to take any action that would result in any lien, charge or encumbrance on the Equipment.

Inventory REQUIRED IF DoveBid UIDs or AssetZone 2Ttagnumbers	Make OPTIONAL. (100 chars)	ManufDate OPTIONAL Date of Manufacture.	Model OPTIONAL. (200 chars)	Title REQUIRED. Short Descriptions. (50 chars only)	Description REQUIRED. Full Descriptions of Items; (no character limitations.) Leave this row present and untouched Leave this row present and untouched Leave this row present and untouched Leave this	Category ID REQUIRED. See Categories tab for list.	Serial OPTIONAL (50 chars)
2138964	Flow Sciences			4' VBSE Laminar Flow Hood	4' VBSE Laminar Flow Hood	290	
2138965	Vision Instruments / Leica		CV5000	Robotic Coverslipper	High-Throughput Robotic Coverslipper. Features: Integral Fume Control, Accepts Leica AutoStainer XL & Sakura Slide Racks, Adjustable Mountant Volume Control & More; Power: 95-250V, 49-61Hz, 300W: Documentation Included	290	CV076400
2138966	Vision Instruments / Leica		AutoStainer XI	Automated Slide Stainer	Automated Slide Stainer. Power. 85-250V, 49-61Hz, 650W	290	XL189900
2138967	DAKO		Autostainer LV	Universal Staining System	Universal Staining System. Power: 120-230V, 50/60Hz, 4/2A Lot of (3 pcs) Histology Equipment. To include: (1) Bokel 14792 Waterbath, (1) T-Fal Steam Cuisine 600cl Steamer,	290	DC 3400-6957-03
2138968				Lot of (3 pcs) Histology Equipment	(1) Biocare Medical DC2002 Decloaking Chamber	290	
2138970	Olympus		BX41TF	Binocular Microscope	Binocular Microscope. Objectives: (1) UPlanF1 40x/0.75, (1) UPlanFL N 20x/0.50 FN26.5. (1) UPlanFl 10x/0.30, (1) PlanFl 4x/0.13, (1) Plan N 2x/0.06 FN22, (2) WH10x/22 Eyepieces; Features: 5-Position Nosepiece, Achromat 0.9 Turret, Rotating XY Stage (missing X holder), Z-Axis Control, Built-in 30W Lamp; Power: 100-240V. 50/60Hz, 0.8/0.4A	295	1F07832
2138971	Olympus		BHT-2	Binocular Microscope	Binocular Microscope. Objectives: (1) DPlan 100 1.25 oil 160/0.17, (1) DPlan 40 0.65 160/0.17, (1) DPlan 10 0.25 160/0.17, (1) SPlan FL 2 0.08 160/-, (2) WH10x/20 L Eyepieces; Features: 5-Position Nosepiece, Achromat 0.9 Turret, XY Stage, Z-Axis Control, Built-in 20W Lamp; Power: 100/115V, 50/60Hz, 0.40/0.35A	295	213900
2138972	Sakura		Accu-Cut SRM	Rotary Microtome	Rotary Microtome. Application: Sectioning of Paraffin-Embedded Specimens for Routine and Research Histology, Section Thickness Range: 0.5—60µm, Specimen Retraction: 220µm, Trimming Steps: 10µm or 50µm, Displacement of Blade Holder Base: Vertical & Horizontal Directions; Compatible Blade Types: Disposable High- & Low-Profile Steel Knives and Blades, Reusable Steel Knives; Dimensions: 15.8x18.5x11.6", Weight: 64lb	290	14290133
2138973	Leica		CM3050S-3-1	Research & Routine Histology Cryostat	Research & Routine Histology Cryostat. Power: 120V, 60Hz, 1800VA	290	3004/01.2002
2138984	The Baker C	Oct-00	SterilGARD III	Class II Biological Safety Cabinet	Class II Biological Safety Cabinet, Mobile, Height Adjustable. Power: 115V, 60Hz, 12.4A	290	69041
2138985	Nuaire	2006	NU-617-400 S	Cage Changing Animal Transfer Station	Cage Changing Animal Transfer Station. Power: 115V, 60Hz, 12A	290	110605110806
2138986	Nuaire	2006	NU-607-400 S	Bedding Disposal Station	Bedding Disposal Station w/ BioBubble HEPA Filtration Unit. Power: 115V, 60Hz, 5A	298	109142091206

2139006	Eagle	4510	45 Gal, Safety Storage Cabinet	45 Gal, Safety Storage Cabinet. 3-Shelves, 43x18.5x67.5 Inches	1035		
2139011			6 by 2.5 Ft. Stainless Steel Workbench	6 by 2.5 Ft. Stainless Steel Workbench w/ Backboard Up	1002		
2139012	Marvel	A570101	Under-Counter Laboratory Refrigerator / Freezer	Under-Counter Laboratory Refrigerator / Freezer, Reach-in (not for food or drink). Refrigerant: R12, 4.5oz; Design Pressures: High 235psig, Low 140psig; Power: 115V, 60Hz, 1.8A	288	P-17257	
2139013	SurgiVet	ISOTEC 4	Veterinary Anesthesia Vaporizer	Veterinary Anesthesia Vaporizer	298	9904674	
2139014	Cart Zeiss	OPMI Pico	Operating Stereo Microscope	Operating Stereo Microscope (Colposcope) w/ MediLive Video Control Unit & Mobile Stand	295		
2139015	Beckman Coulter	Allegra 6R	Benchtop	Benchtop Refrigerated Centrifuge w/ GH-	285	ALR00F02	

			Refrigerated Centrifuge	3.8 3750RPM 4-Place Swinging Bucket Rotor, Power: 120V, 60Hz, 12A; Includes: (1) Baxter S/P Vortex Mixer (Temp Timer Broken)			
2139016	Danby	DMR1706WE'	Refrigerator / Freezer	Refrigerator / Freezer, Upright, Reach-in (not for food or drink). Refrigerant: R134a, 4.9oz; Design Pressures: High 290psig, Low 140psig; Power: 115V, 60Hz, 1.7A	288	05740521CE	
2139017	Mettler Toledo	AG104	Digital Analytical Balance	Digital Analytical Balance, Max 101g d=0.1mg	290		
2139018	Mettler Toledo	Wildcat WS60	Industrial Scale	Industrial Scale. Max 1501b, n max 3000, e min 0.051b; Power: 10.2VDC/0.15A	290	00302426DH	
2139021	Mettler Toledo	Wildcat WS60	Industrial Scale	Industrial Scale. Max 1501b, n max 3000, e min 0.051b; Power: 10.2VDC/0.15A	290	00302436DH	
2139019	Leica	EG1140H	Paraffin Embedding Station	Paraffin Embedding Station, Power: 100-240V, 50/60Hz, 780W	290	0394/12.2000	
2139020	VetEquip	IMPAC6	Anesthesia System	Anesthesia System			
				Lot of: (1) Ultronics 71013 Ultrasonic Waterbath, (1) Magic	290	AC20104	
2139022			Lot of: (1) Sonic Bath, (1) Microwave Oven	Chef MCD760W Microwave Oven	290		
2139023	Fisher Scientific	Centrific™ 225	Benchtop Centrifuge	Benchtop Centrifuge w/ 24-Place 6500RPM Fixed Angle Rotor, Power: 115V, 60Hz, 5A	285	901N0006	
2139024	Luxo Medical Products	Burton AIM-10	Medical-Grade Overhead Lamp	Wall-Mounted Medical-Grade Overhead Adjustable Lamp	290	A10557	
2139025	Thermo / Precision	2841	Microprocessor Controlled Water Bath	Microprocessor Controlled Water Bath, Power: 115V, 50/60HZ, 5A	290	200235	
2139026	Eppendorf	1998 5415C	Micro Centrifuge	Micro Centrifuge w/ 18-Place Fixed Angle Rotor, Max Density: 1.2kg / dm3, 14000RPM; Power 115V, 60Hz, 250W	285	85565	
2139027	Sterling Scale	SC11214-10	Scale	Scale, Capacity: 5000 x 0.5g	290	18455	
2139028	Eagle	2310	24 Gal, Safety Storage Cabinet	24 Gal, Safety Storage Cabinet. 3-Shelves, 23x18.5x65.5 Inches	1035		
2139029	Leica	TP1050	Automated Vacuum Tissue Processor	Automated Vacuum Tissue Processor, Features: Large Wide Viewing Angle LCD with Adjustable Contrast, Microprocessor Controlled Operation, Reagent Management System Option, Cassette Dividers and Spring Separators, Reagent Handling System, Paraffin Wax Solvent Removal, Magnetic Stirrer, Programmable Delayed Processing, Modular Design for Freestanding or Benchtop, Three Retort Drain Rates, Rapid Filling, Vacuum or Pressure Cycling, Fume Control System, Custom Cleaning Cycle	284	TP-088800	
2139030	Leica	EG1140C-3	Refrigerated Coaling Plate	Cooling Plate, Refrigerant: R134a, 80 ± 5g, 18bar SF3: Power: 120V, 60Hz, 300VA	290	1614/04.2000	

2139031	RA Lamb / Brandon	E22.01 MWC	Carousel Cassette MicroWriter	Carousel Cassette MicroWriter. Power: 110-120V, 60Hz, 1.25A, 100W	290	00R036-01	
2139032	Rainin	Pipetman	Lot of (6) Pipettes & Stand	Lot of (6) Pipettes & Stand. Sizes: (2) P1000, (3) P200, (1) VWR 2 + 20 pl	290		
2139033			Lot of: (2) Shakers, (1) Dry Block	Lot of: (1) Labline 3506 Reciprocal Shaker, (1) Barnstead Labquake Rocker, (1) Richard-Allan Scientific DBH-4020-1 Dry Block	290		
2139034			Lot of (2) Stainless Steel Medical Tables	Lot of (2) Stainless Steel Medical Tables. To Include: (1) Height Adjustable Surgeons Tray	290		
2139035	Leica	MZ8	Dual-View Stereo Microscope	Dual-View Stereo Microscope w/ Fostec Illuminator	295	5054851	
2139036	Omano		Stereo Microscope	Stereo Microscope w/ Built-in Illuminator. Power: 110V, 50/60Hz, 25W	295		
2139037	Omano		Stereo Microscope	Stereo Microscope w/ Built-in Illuminator. Power: 110V, 50/60HZ, 25W	295		
2139038	Omano		Stereo Microscope	Stereo Microscope w/ Built-in Illuminator. Power: 110V, 50/60HZ, 25W	295		
2139039	Olympus	SZ2-ILST	Stereo Microscope	Stereo Microscope. Features: DF PLFL 0.5X PF Lens, WHSZ10X-H/22	295	3G07549	

				Eyepieces, SZX-TBI Head w/ U-TVO.5XC-2 & DP70 Ports, Built-in Illuminator; Power: 100-240V, 50/60Hz, 0.15/0.1A: Includes: (1) Optical Analysis 20520 Illuminator, Misc. Miscroscope Parts		
2139040	Nova		Binocular Microscope	Binocular Microscope. Objectives: (1) 100/1.25 N A Oil 160/0.17, (1) 40/0.65 NA 160/0.17, (1) 10/0.25 NA 160/0.17, (1) 4/0.1 NA 160/-, (2) WF 10X DIN/18mm Eyepieces; Features: 4-Position Nosepiece, XY Stage, Z-Axis Control, Built-in Illuminator; Power: 100-120V, 50/60Hz, 20W	295	
2139041	Heine	HL5000	Lot of (3) Universal Positioning Halogen Lamps	Lot of (3) Universal Positioning 12V / 50W Halogen Lamps	290	
2139042	Thermo Electron	Digital One	Recirculating Waterbath	Recirculating Waterbath. Power: 115V, 60Hz, 16A	290	104278038
2139043	Thermo Electron	Digital One	Recirculating Waterbath	Recirculating Waterbath. Power: 115V, 60Hz, 16A	290	104282059
2139044	Thermo Electron	Digital One	Recirculating Waterbath	Recirculating Waterbath. Power: 115V, 60Hz, 16A	290	104278039
2139045	Thermo / Precision	2841	Microprocessor Controlled Water Bath	Microprocessor Controlled Water Bath. Power: 115V, 50/60HZ, 5A	290	200235
2139046	Cole-Parmer	74900 Series	Lot of (2) Syringe Pumps	Lot of (2) Syringe Pumps	290	
2139047			Lot of (3 pcs) Veterinary Equipment	Lot of (3 pcs) Veterinary Equipment. To Include: (1) Engler ADS1000 Anesthesia Delivery System, (1) Harvard Apparatus 683 Rodent Ventilator, (1) Astro-Med SD9 Stimulator	298	
2139048	Coming	PC-320	Lot of (3) Hotplate / Stirrers	Lot of (3) Hotplate / Magnetic Stirrers. Power: 120V, 60Hz, 575W	290	
2139049	Cole-Parmer	MasterFlex 77	Peristaltic Pump Drive w/ Cartridge	Peristaltic Pump Drive w/ Easy-Load L/S 7518-00 Cartridge. 6-600 RPM, 0.1HP; Power. 115V, 50/60HZ, 2.3A	290	
2139050	Cole-Parmer	MasterFlex 77	Peristaltic Pump Drive w/ Cartridge	Peristaltic Pump Drive w/ Easy-Load L/S 7518-00 Cartridge. 6-600 RPM, 0.1 HP; Power 115V, 50/60HZ, 2.3A	290	
2139051	Cole-Parmer	MasterFlex 77	Peristaltic Pump Drive w/ Cartridge	Peristaltic Pump Drive w/ Easy-Load L/S 7518-00 Cartridge. 6-600 RPM, 0.1HP; Power: 115V, 50/60HZ, 2.3A	290	
2139052			Lot of (5) Gas Regulators, (3) Boom Stands	Lot of (5) Gas Regulators, (3) Modular Boom Stands	290	

2139053	Lab-Line	Multi-Magnest	Multipoint Magnetic Stirrer	Multipoint Magnetic Stirrer. Power: 120V, 60Hz, 180W	290	0501-0152
2139054	Lab-Line	Multi-Magnest	Multipoint Magnetic Stirrer	Multipoint Magnetic Stirrer. Power: 120V, 60Hz, 180W	290	0501-0156
2139055	Lab-Line	Multi-Magnest	Multipoint Magnetic Stirrer	Multipoint Magnetic Stirrer. Power: 120V, 60Hz, 180W	290	0501-0153
2139056	Lab-Line	Multi-Magnest	Multipoint Magnetic Stirrer	Multipoint Magnetic Stirrer. Power: 120V, 60Hz, 180W	290	0501-0131
2139057	Baxter	AS50	Lot of (2) Digital Infusion Pumps	Lot of (2) Digital Infusion Pumps	290	
2139058	Mettler Toledo	PB801	Scale	Scale. Max 810g, Min 5g, e/d=0.1g	290	
2139059	Heska	I-Stat	Portable Clinical Analyzer	Portable Clinical Analyzer w/ Program Kit. Includes: (1) Martel MCP8850B-130 Portable Printer (appears new)	283	
2139060	Troemner		Lot of (4) Calibration Weight Kits	Lot of (4) Calibration Weight Kits. Sizes: 5kg, 2kg, 1kg, 500g, 2x200g, 2x100g, 50g, 2x20g, 10g, 5g, 2x2g, 1g, 500mg, 200mg, 100mg, 50mg, 20mg, 5mg; More	290	
2139061	Mettler Toledo	ID7	Weighing Terminal/Indicator w/ Scale	Weighing Terminal/Indicator w/Scale. N Max = 32000	290	
2139062	BioMedic Data Systems	6000 Series	Animal Husbandry Station	Animal Husbandry Station w/ DAS- 608 Data Acquisition System & IMI Smart Probe. Also Includes: (2 boxes of 100 each) IMI-1000 Implantable Electronic ID Transponders, (1) Ohaus Adventurer Pro AV53 Analytical Balance w/ Draft Wield, (1) Troemner 100g - 10mg Calibration Weight Kit, (1) KdScientific Syringe Pump, (1) VWR Thermo-Hygro Meter, (1) lenovo ThinkVision 17” Flat Panel Monitor, (2) Keyboards, (1) Adjustable Arm Stand (1) Overhead Lamp & More	298	
2139063	BioMedic Data Systems	6000 Series	Animal Husbandry Station	Animal Husbandry Station w/ DAS- 608 Data Acquisition System & IMI Smart Probe. Also Includes: (2 boxes of 100 each) IMI-1000 Implantable Electronic ID Transponders, (1) Ohaus Adventurer Pro AV53 Analytical Balance w/ Draft Wield, (1) Troemner 100g - 10mg Calibration Weight Kit, (1) KdScientific Syringe Pump, (1) VWR Thermo-Hygro Meter, (1) lenovo ThinkVision 17” Flat Panel Monitor, (2) Keyboards, (1) Adjustable Arm Stand (1) Overhead Lamp & More	298	
2139064	BioMedic Data Systems	6000 Series	Animal Husbandry Station	Animal Husbandry Station w/ DAS- 608 Data Acquisition System & IMI Smart Probe. Also Includes: (1 box of 100) IMI-1000 Implantable Electronic ID	298	

				Transponders, (1) Ohaus Adventurer Pro AV53 Analytical Balance w/ Draft Wield, (1) Troemner 100g - 10mg Calibration Weight Kit, (1) KdScientific Syringe Pump, (1) VWR Thermo-Hygro Meter, (1) lenovo ThinkVision 17” Flat Panel Monitor, (2) Keyboards, (1) Adjustable Arm Stand (1) Overhead Lamp & More		
2139065	BioMedic Data Systems	6000 Series	Lot of (2) Animal Husbandry Stations	Lot of (2) Animal Husbandry Stations w/ DAS- 608 Data Acquisition Systems & IMI Smart Probes. Also Includes: (4) Keyboards, (6) Adjustable Arm Stands (1) Overhead Lamp & More (not complete systems)	298	
2139066	Carl Zeiss	OPMI Pico	Operating Stereo Microscope	Operating Stereo Microscope (Colposcope). Power: 100-240V, 50/60HZ, 170VA	295	
2139067	Carl Zeiss	OPMI Pico	Operating Stereo Microscope	Operating Stereo Microscope (Colposcope). Power: 100-240V, 50/60HZ, 170VA	295	
2139068	Coming	PC-510	Magnetic Stirrer	Magnetic Stirrer. Power: 120V, 60Hz, 20W	290	
2139069	Fisher Scientific		Lot of (4) Mini Mixers	Lot of (4) Mini Mixers. To Include: (1) Vortex Genie 2 Vortexer, (2) Auto Mixers, (1) Thermix 120S Stirrer	290	

2139070	Edstrom		Lot of (5) Data Loggers, (1) Small Parts Cabinet	Lot of (5) Data Loggers, (1) 50-Drawer Small Parts Cabinet w/ Contents	290	
2139071	VWR Scientific	V	10.000RPM Micro Centrifuge	10.000RPM Micro Centrifuge w/ 6 & 12 Place Fixed Angle Rotors	285	
2139072	BioMedic Data System	DAS-5002	Lot of (4) ID Data Acquisition Notebooks	Lot of (4) Programmable ID Data Acquisition Notebooks	298	
2139073			Lot of (3 pcs) Misc. Laboratory Equipment	Lot of (3 pcs) Misc. Laboratory Equipment. To Include: (1) CellPoint Scientific Germinator 500 Dry Sterilizer, (1) Hallowell EMC Microvent 1 Dual Mode ventilator. (1) SurgiVet Unit	290	
2139074			Lot of (Apprx 600+) Stainless Steel Feeders	Lot of (Apprx 600+) V-Side Hanging Feeders, Stainless Steel, Various Sizes with (7) Rubbermaid BRUTE Rolling Waste Containers (all containing feeders)	298	
2139075			Lot of (Apprx 600+) Stainless Steel Card Holders	Lot of: (Apprx 600+) Hanging Cage Card Holders, Stainless Steel, (Apprx 200) Large Plastic Animal Toys. (Apprx 100) Pneumatic Air Lines; Contents of (4) Rubbermaid BRUTE Rolling Waste Containers	298	
2139076			Lot of (30+ pcs) Digital Clocks & Office	Lot of (30+ pcs) Digital Clocks & Office. Includes; Calculators. Stop-Watches, Meters, Clip-Boards, Pens. Scissors; (15+) Digital Radio Controlled Thermometer Clocks	290	
2139077	Frigidaire	MFC15M4FW: Chest Freezer		Chest Freezer (not for food or drink). Refrigerant R134a, 10oz; Design Pressures: High 320psig, Low 140psig: Power: 115V, 60Hz, 5A	288	WB03225496
2139078	Danby	Diplomat	Chest Freezer	Chest Freezer (not for food or drink). Refrigerant R134a	288	
2139079	Midmark	M11-020 Ultra	Automatic Sterilizer	Automatic Sterilizer. Power: 115V, 5/60HZ. 12A	296	V326499
2139080	Midmark	Soniclean Mm	Ultrasonic Cleaner	Ultrasonic Cleaner. Power: 117V, 50/60HZ, 4A, 495W	290	RND060606518
2139081	GE Medical :	Apr-06 OEC 9800	Plu Digital Mobile C-Arm Imaging System	Digital Mobile C-Arm Imaging System w/ 1K x 1K Workstation, Rotating Anode X-ray Tube a High Powered 15 kW Generator. Power: 120-240V, 50/60Hz, 20/10A; Includes: (1) Health Tronics MedStone Elite PRO2000TM2 Patients Table. (2) Luxo Medical Products Burton AlM-100 Medical-Grade Overhead Adjustable Lamps, (1) Radiation Shield Wall; Assorted Lead Radiation Protection Wear	295	8S-3211-CH
2139082	Boston Scientific	Galaxy 2 15121	Intravascular Ultrasound System	Mobile Intravascular Ultrasound System w/ MD5 Motordrive. Power: 120V, 50/60Hz, 650VA; Includes: (1) Panasonic MD835 Video Cassette Recorder, (1) Sony UPD895 Digital Graphic Printer, 8x Dual DVD Drive; (3 boxes) Atlantis SR 40MHz Coronary Imaging Catheters	295	H794151280
2139083	Hewlett Packard	M242A Sonos Mobile	Ultrasound System	Mobile Ultrasound System. Power 100-220V. 50/60Hz. 1440VA; Includes: (1) Panasonic MD830 Video Cassette Recorder, IPX1 Footpedal	295	3728A00043
2139084	SurgiVet	V9212AR	Surgical Monitor w/ Polymount Stand	Surgical Monitor w/ Polymount Stand & Tray. Power: 100-240V, 50/60Hz, 0.8A; Includes Misc. Accessories	290	AW06080007
2139085			Stainless Steel Washing Station	Stainless Steel Washing Station	290	
2139086	SurgiVet /Anesco	ISOTEC 4	Lot of (2) Veterinary Anesthetic vaporizers	Lot of (2) Veterinary Anesthetic Vaporizers, one with Mount. Includes: (1) Pressure Gas Regulator	298	
2139087	SurgiVet / Anesco	ISOTEC 4	Lot of (2) Veterinary Anesthetic Vaporizers	Lot of (2) Veterinary Anesthetic Vaporizers, one with Mount. Includes: (1) Pressure Gas Regulator	298	
2139088	Ohio	100F	Forana Anesthetic Vaporizer	Forane Anesthetic Vaporizer w/ Mount. Includes: (2) Pressure Gas Regulators	298	

2139089	Aaron Medical	950	Cautery Unit	Cautery Unit. Power: 120V, 50/60HZ, 1.5A	290	AA3706024
2139090	Heska	IPX1 Vet/IV 2.	Digital Infusion Pump	Digital Infusion Pump. Power: 110V, 50/60Hz	290	70152
2139091	Gaymar Industries	TP-500 T/Pum	Heat Therapy Pump	Heat Therapy Pump. Power: 120V, 60Hz, 1.8A, 200W	290	B10H32, I60D94
2139092	Gaymar Industries	TP-500 T/Pum	Heat Therapy Pump	Heat Therapy Pump. Power: 120V, 60Hz, 1.8A, 200W	290	H60B38, A99A95
2139093	Gaymar Industries	TP-500 T/Pum	Heal Therapy Pump	Heat Therapy Pump. Power: 120V, 60Hz, 1.8A, 200W	290	I60H02, I60D05
2139094			Lot of (6 pcs) Misc. Veterinarian	Lot of (6 pcs) Misc. Veterinarian. To Include: (1) Graseby 3400 Syringe Pump. (1) Macan MC-4A Electrosurgical Unit, (3) VelEquip Stainless Steel Rodent Heat Pads, (1) Parts Medical 811-BL Ultrasonic Doppler Flow Detector	298	
2139095	VelEquip	ISOTEC	Veterinary Anesthetic Vaporizers w/ Stand	Veterinary Anesthetic Vaporizers w/ Stand, Tray & IV Stand	298	
2378261	Clay Adams	420575 AutoC	Centrifuge	Centrifuge, AC 120V, 1.8 Amps, 60 Hz	298	4260002
2378252	Shor-Line KCMO	18161	Surgery Table, Stainless Steel	Surgery Table, Stainless Steel, Dimensions 58”x 19”	298	
2378262	Sony	UP 960	Video Graphic Printer	Video Graphic Printer, with Original Packing Box, Manuals, and Power Cords. AC 220-240V, 50/60 Hz, 1.3 Amps	298	15676
2378263	Nobles	2601 Speed S	Automatic Floor Scrubber	Automatic Floor Scrubber w/ Product Manuals, 24 VDC, 50 Amps, 1200 Watts	7518	613386-10247068
2378264	Dayton	1UG91B	Wet/Dry Vacuum	Wet/Dry Vacuum, 120V, 60Hz, 12Amps, with Accessory Hoses and Heads, and Mobile Cart	7518	52728-03
2378265	Werner		Lot of (3) Ladders	Lot of (3) Ladders, Aluminum (2) 5’ 6” Tall (1) 6’ 0”	7518	
2378253	Shor-Line KCMO	18161	Surgery Table, Stainless Steel	Surgery Table, Stainless Steel, Dimensions 58”x 19”	298	

2378254	Rubbermaid		Lot of (2) Mobile Tool Chest Carts, Plastic	Lot of (2) Mobile Tool Chest Carts, Plastic, Dimensions 33”x 20”x 33”	298
2378255			Lot of (5) Lab Equipment	Lot of (5) Lab Equipment to include: (1) Mobile Necropsy Table, Stainless Steel (2) Mobile Mayo Stand, with Tray, Stainless Steel (1) Lakeside, Mobile 3 Rack Cart, Stainless Steel, and (1) Sally Saddle, Mobile Leather Lab Chair	298
2378256			Lot of (5) Lab Equipment	Lot of (5) Lab Equipment to include: (1) Mobile Necropsy Table, Stainless Steel (2) Mobile Mayo Stand, with Tray, Stainless Steel (1) Lakeside, Mobile 3 Rack Cart, Stainless Steel, and (1) Sally Saddle, Mobile Leather Lab Chair	298
2378257	Rubbermaid	Brute	Lot of (22) Trash Bins	Lot of (22) Trash Bins. 32 Gallon Plastic, with 11 Attachable Wheel Rollers and 23 Lids	298
2378258			Lot of (2) Stainless Steel Tables	Lot of (2) Stainless Steel Tables, Dimensions: 60”x 30”	298
2378259			Lot of (2) Stainless Steel Tables	Lot of (2) Stainless Steel Tables, Dimensions: 60”x 30”	298
2378260			Stainless Steel Table	Stainless Steel Table, with Backsplash, Dimensions 72”x 30”	298
2378238	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378239	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders In Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298

2378240	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378241	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378242	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378243	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378244	Allentown Caging Equipment		Lot of (4) Rabbit Housing Racks, Stainless Steel	Lot of (4) Rabbit Housing Racks, Stainless Steel with (6) 31”x 31” Plastic Holders in Each Rack; Includes Feeders & Toys. Overall Dimensions: 66”x 31”x69.5” Each Rack is on Wheels.	298
2378245	Allentown Caging Equipment		Lot of (4) Mouse Housing Racks, Stainless Steel	Lot of: (4) Mobile Mice Housing Racks, Stainless Steel with Water Systems, Houses up to 98 Holders per Rack. Holder Dimensions are: 11.5”x 7.5”x 4.5” Overall Dimensions: 52”x 26.5”x64” Includes (2) Cart Containers, which Each carry Apprx 200 Mouse Holders. Overall Cart Dimensions: 60”x 24”x 70”	298
2378246	Allentown Caging Equipment		Lot of (5) Rat Housing Racks, Stainless Steel	Lot of (5) Mobile Rat Housing Racks, Stainless Steel w/ Water Systems. Houses up to 30 Holders per Rack, Overall Dimensions: 69.5”x 22”x 72”; Includes (3) Cart Containers which each carry Apprx 100 Plastic Rat Holders. Overall Dimensions: 66”x 31”x69.5”	296
2378247	Allentown Caging Equipment		Lot of (6) Rat Housing Racks, Stainless Steel	Lot of (6) Mobile Rat Housing Racks, Stainless Steel w/ Water Systems. Houses up to 30 Holders par Rack, Overall Dimensions: 69”x 24”x 75”; Includes (1) Cart Containers which carries Apprx 100 Plastic Rat Holders. Overall Dimensions: 66”x 31”x69.5”	298
2378248	Tecniplast	3700M011	Lot of (5) Rodent Metabolism Cage Racks	Lot of (5) Mobile Rodent Metabolism Cage Racks, Stainless Steel. Each Holding 8 Tecniplast 3700M011 Metabolism Cages per Rack, Overall Dimensions: 48”x 15”x 74” Includes Large Blue Bio-Covers.	298
2378249	Allentown Caging Equipment		Lot of (2) Mouse Housing Racks, Stainless Steel	Lot of: (2) Mobile Mouse Housing Racks, Stainless Steel with Water Systems. Houses up to 70 Holders per Rack. Holder Dimensions are: 11.5”x 7.5”x4.5” Overall Dimensions: 62”x 26.5”x67” Includes (1) Cart Container which carries Apprx 200 Mouse Holders. Overall Cart Dimensions: 60”x 24”x 70” Cart Container Includes Blue Bio-Cover	298

2378250	Allentown Caging Equipment		Lot of (2) Rat Housing Racks, Stainless Steel	Lot of (2) Mobile Rat Housing Racks, Stainless Steel w/ Water Systems. Houses up to 60 Holders per Rack, Overall Dimensions: 69”x 24.5”x 75”; Includes (1) Cart Containers which each carry Apprx 100 Plastic Rat Holders. Overall Dimensions: 66”x 31”x69.5” Cart Includes Blue Bio-Cover	298
2378251			Lot of (3) Stainless Steel Tables	Lot of (3) Stainless Steel Tables, (1) Dimensions 72”x 24” (1) Dimensions 72”x 30.5” (1) Dimensions 48”x 24”	298
2378266			Lot of (50+) Janitorial Products	Lot of (50+) Janitorial Products. Consisting of: (3) 32 Gallon Plastic Trash Bins, Brooms, Floor Squeegees, (5) Werner 3’ 5” Stepping Stools, (3) Mop Buckets, Spray Bottles, Various Pumps, Hose End Sanitizers, Various Brushes and Disposable Paper Towels, Racks (Carts Not Included)	7518
2378272			Lot of (20+) Workout Products	Lot of (20+) Workout Products Consisting of: (1) Cybex Adjustable Bench, (2) Workout Mats, (4) Blow-up Workout Balls with Pump, (8) Purple Height Step Ups, and Assorted Workout Bands	7518
2378273	Allentown Caging Equipment		Lot of (2) Mobile Shelf Racks, Stainless Steel	Lot of (2) Mobile Shelf Racks, Stainless Steel, 5 Shelf, Open Grate, Overall Dimensions: 70”x 24”x 66”	298
2378274	Allentown Caging Equipment		Lot of (2) Mobile Shelf Racks, Stainless Steel	Lot of (2) Mobile Shelf Racks, Stainless Steel, 5 Shelf, Open Grate, Overall Dimensions: 70”x 24”x 66”	298
2378275	Allentown Caging Equipment		Lot of (2) Mobile Shelf Racks, Stainless Steel	Lot of (2) Mobile Shelf Racks, Stainless Steel, 5 Shelf, Open Grate, Overall Dimensions: 60”x 24”x 71” with Plastic Bin Accessories	298
2378276	Ancare		Lot of (2) Mobile 3-Sided Racks, Stainless Steel	Lot of (2) Mobile 3-Sided Racks, Stainless Steel, Dimensions: 60”x 24”x 62” with (3) Red Bio-Covers	298
2378277			Lot of (3) Mobile Cage Washing Racks, SS	Lot of (3) Mobile Cage Washing Racks, Stainless Steel, (1) Rodent Cage Washer, 3 Level, Dimensions: 60”x 28.5”x 68.5” (1) Rat Cage Washer, 3 Level, Dimensions: 73”x32”x 71” (1) Mouse Cage Washer, 5 Level Dimensions: 75”x 18”x 80”	298
2378278			Lot of (3) Mobile Shelf Racks, Stainless Steel	Lot of (3) Mobile Shelf Racks, Stainless Steel, (2) Dimensions: 60”x 24”x 72” (1) Dimensions: 48”x 24”x 72”	298
2378279	Ancare		Lot of (2) Mobile Basket Racks for Cage Washing	Lot of (2) Mobile Basket Racks for Cage Washing, Stainless Steel, with Plastic Bins, Dimensions:63”x 31”x	298

					70”		
2378280	PlasLabs			Lot of (8) Rabbit Restrainers	Lot of (8) Rabbit Restrainers, with (1) Stainless Steel Cart and (1) Soft Cloth Rabbit Restrainer	298	
2378281				Lot of (3) Metro Carts w/ SS Contents	Lot of (3) Metro Carts w/ Contents Consisting of: Stainless Steel Rat/Mouse Wire Bar Lids, Misc. Ancare Corp. Lids and Housings: More	298	
2378282				Mobile Shelf Rack, Stainless Steel w/ Plastic Bins	Mobile Shelf Rack, Stainless Steel, w/ Plastic Bins, Dimensions: 60”x 24”x 72”	298	
2378283	Rubbermaid			Lot of (2) Mobile Carts	Lot of (2) Mobile Carts, plastic, Dimensions:33”x 18.5”x 37”	298	
2378284	Justrite		25602	60-Gal Flammable Liquid Storage Cabinet	60-Gal Flammable Liquid Storage Cabinet. 3 Shelves, 34x34x66 Inches	1035	
2378285	Eagle		1947	45-Gal. Safety Storage Cabinet	45-Gal. Safety Storage Cabinet. 3-Shelves, 43x18x67 Inches	1035	

2378286	Eagle		1932	30-Gal. Safety Storage Cabinet	30-Gal. Safety Storage Cabinet. 2-Shelves, 43x18x45 Inches	1035	
2378287	Eagle		1947	45-Gal. Safety Storage Cabinet	45-Gal. Safety Storage Cabinet. 3-Shelves, 43x18x67 Inches	1035	
2378288	Eagle		1947	45-Gal. Safety Storage Cabinet	45-Gal. Safety Storage Cabinet. 3-Shelves, 43x18x67 Inches	1035	
2378289	Eagle		1947	45-Gal. Safety Storage Cabinet	45-Gal. Safety Storage Cabinet. 3-Shelves, 43x18x67 Inches	1035	
2378267	Precor		S3.45	Workout Equipment Strength Multi-Station	Workout Equipment Strength Multi-Station, Included Workout Capabilities Consisting of: Leg Extension, Leg Curl, Arm Curls. Upright Row, Bench Regular/Incline/Decline, Lat Pull, Seated Row, and Back Extensions	7518	
2378268	Precor		EFX 546	Elliptical Workout Machine	Elliptical Workout Machine, with Heart Monitor and 8 Programmed Setting Courses	7518	
2378269	Precor		C846	Cycle Workout Machine	Cycle Workout Machine, with Heart Monitor and 5 Programmed Setting Courses	7518	
2378270	Precor		C956	Low Impact Treadmill	Low Impact Treadmill, with Heart Monitor, 21 Programmed Setting Courses, 120V, 50/60 Hz, 14 Amps, 130 Watts	7518	KE20Q0015
2378271	Hampton			Freeweight Dumbells	Freeweight Dumbells, with Stand, Weights Ranging from 5lb-20lb	7518	
2138910				Lot of (6 pcs) Misc. Laboratory Equipment	Lot of (6 pcs) Misc. Laboratory Equipment. To Include: (1) Electrothermal EMX1000 Electromantle MX Spillprcof Mantle, (3) Assorted Mantles, (1) Mettler Toledo Pumping Device, (1) RA LAMB E22.01MWSDE Apparatus	290	

EQUIPMENT INVENTORY LIST

Line Number	Asset Number	Category	Equipment Type	Description	Manufacturer	Model Number
860	ETI-000007	Laboratory	Vortex	Mini Vortex Genie	Scientific Industries	SI-0136
849	ETI-000008	Laboratory	Vortex	Digital Vortex Mixer	VWR Scientific	14005-824
715	ETI-000009	Laboratory	Shaker	Orbital Shaker	VWR Scientific DS-500 Orbital Shaker	57018-754
721	ETI-000010	Laboratory	Shaker	Plate Shaker	Jencons	2014
774	ETI-000011	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-220
775	ETI-000012	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-220
776	ETI-000013	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-420
766	ETI-000014	Laboratory	Stir plate	Stir plate	Cimarec-2	S46725
767	ETI-000015	Laboratory	Stir plate	Stir plate	Cimarec-2	S46725
55	ETI-000018	Laboratory	Centrifuge	MicroCentrifuge	Eppendorf	5415C
716	ETI-000021	Laboratory	Shaker	Orbital Shaker	Lab Line	3508
862	ETI-000046	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
863	ETI-000049	Laboratory	Vortex	Mini Vortex Genie	Scientific Industries	SI-T236
867	ETI-000053	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
5	ETI-000056	Laboratory	Balance	Micro Balance	Mettler Toledo	AG285
769	ETI-000059	Laboratory	Stir plate	Stir plate	Lab Line	1278
770	ETI-000060	Laboratory	Stir plate	Stir plate	Lab Line	1278
891	ETI-000067	Laboratory	Water Bath	Water Bath	Thermo Electron Corp	2837
419	ETI-000070	Laboratory	PH Meter	PH Meter	Fischer Scientific - Accumet	AR15
678	ETI-000073	Laboratory	Power Supply	Power Supply	E-C Apparatus Corp	EC600
722	ETI-000074	Laboratory	Shaker	Plate Shaker	Heidolph	titramax 1000
23	ETI-000075	Laboratory	Blender	Waring Blender	Waring	51BL30
812	ETI-000076	Laboratory	TuboVap	TuboVap-LV	Caliper Life Sciences	103198
755	ETI-000077	Laboratory	Sonicator	Ultrasonic bath	Branson	1510

756	ETI-000078	Laboratory	Sonicator	Ultrasonic bath	Branson	5510
828	ETI-000079	Laboratory	Vacuum	Dry Vacuum	Welch	2027
829	ETI-000080	Laboratory	Vacuum	Dry Vacuum	Welch	2027
811	ETI-000081	Laboratory	TuboVap	TuboVap-96	Caliper Life Sciences	103363
902	ETI-000082	Laboratory	Water Recirculator	Water Recirculator	VWR Scientific	1160S
904	ETI-000084	Laboratory	Water Recirculator	Water Recirculator	VWR Scientific	1160S
11	ETI-000085	Laboratory	Balance	Pan Balance	Mettler Toledo	AG285
56	ETI-000086	Laboratory	Centrifuge	MicroCentrifuge	Eppendorf	5415D
676	ETI-000087	Laboratory	PolyTron	PolyTron	Polytron	PT3100
125	ETI-000088	Laboratory	Heat Block	Heat Block	VWR Scientific	13259-050
82	ETI-000089	Laboratory	Crimper	Crimper	Chromes	300900
894	ETI-000090	Laboratory	Water Bath	Precision 280	Thermo Electron Corp	51221050
61	ETI-000091	Laboratory	Centrifuge	MicroCentrifuge	Beckman Coulter 22R	368826
12	ETI-000094	Laboratory	Balance	Pan Balance	Mettler Toledo	PG2002-S

360	ETI-000095	Laboratory	Labscale TFF System	Labscale TFF System	Millipore	29751
718	ETI-000097	Laboratory	Shaker	Orbital Shaker Platform	Scienceware	F37041-0000
719	ETI-000098	Laboratory	Shaker	Orbital Shaker Platform	Scienceware	F37041-0000
720	ETI-000099	Laboratory	Shaker	Orbital Shaker Platform	Scienceware	F37041-0000
787	ETI-000100	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-610
788	ETI-000101	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-520
791	ETI-000106	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-220
792	ETI-000107	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-220
679	ETI-000108	Laboratory	Power Supply	Power Supply	VWR Scientific	VWR135
753	ETI-000109	Laboratory	Sonicator	Ultrasonic homogenizer	Branson	150D
869	ETI-000110	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
872	ETI-000113	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
873	ETI-000114	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
876	ETI-000121	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
877	ETI-000122	Laboratory	Vortex	Mini Vortex Genie	VWR Scientific	58816-121
752	ETI-000124	Laboratory	Sonicator	Ultrasonic bath	Branson	1510
905	ETI-000125	Laboratory	Water Recirculator	Water Recirculator	Lauda	103E
714	ETI-000126	Laboratory	Shaker	Belly Dancer	Stovall	BBUAAUV1S
688	ETI-000130	Laboratory	Pump	Pump	Masterflex LS	7520-00

393	ETI-000131	Laboratory	MicroMix5	MicroMix5	DPC	MicroMix5
803	ETI-000132	Laboratory	ThermoMixer	ThermoMixer	Eppendorf	535522340
704	ETI-000133	Laboratory	Rocker Plate	Rocker Plate	Boekel	260350
93	ETI-000134	Laboratory	FilterMate Harvester	FilterMate Harvester	PerkinElmer	C961961
805	ETI-000135	Laboratory	TiterMix 100	TiterMix 100	Brinkmann	Titermix 100T
57	ETI-000140	Laboratory	Centrifuge	MicroCentrifuge	Eppendorf	5415D
772	ETI-000142	Laboratory	Stir plate	Stir plate	Corning	PC-510
680	ETI-000144	Laboratory	Power Supply	Power Supply	EC Apparatus	EC105
7	ETI-000147	Laboratory	Balance	Microbalance	Mettler Toledo	AG204
906	ETI-000148	Laboratory	Water Recirculator	Water Recirculator	Haake B3	003-5007
13	ETI-000150	Laboratory	Balance	Pan Balance	Mettler Toledo	PG2002-S
683	ETI-000151	Laboratory	Power Supply	Power Supply	VWR Scientific	135
53	ETI-000154	Laboratory	Centrifuge	MicroCentrifuge	Eppendorf	5415R
394	ETI-000155	Laboratory	Microscope	Eclipse TS-100 Microscope	Nikon	TS-100
670	ETI-000159	Laboratory	Plasma Electrophoresis	Plasma Electrophoresis		
671	ETI-000160	Laboratory	Plasma Electrophoresis	Plasma Electrophoresis		
675	ETI-000161	Laboratory	Plate Sealer	Plate Sealer	Packard	A946-0
908	ETI-000168	Laboratory	Water Recirculator	Water Recirculator	Lauda	RE106
757	ETI-000169	Laboratory	Sonicator	Ultrasonic homogenizer	Branson	250D
439	ETI-000219-294	Laboratory	Pipette	P10 Pipette	Gilson	
516	ETI-000295-360	Laboratory	Pipette	P2.5 Reference	Eppendorf	
795	ETI-000366	Laboratory	Stir/hot plate	Stir/hot plate	Corning	PC-320
632	ETI-000367-427	Laboratory	Pipette	12-channel 5-50uL	FinnEppen	4510
403	ETI-000432	Laboratory	Nitrogen generator	Nitrogen generator (Nitrovap)	Parker Balston	
332	ETI-000437	Laboratory	hybridization Oven	hybridization Oven	Robbins Scientific	400
79	ETI-000438	Laboratory	Con Torque power unit	Con Torque power unit	Eberbach	7265
28	ETI-000439	Laboratory	Cell Freezer	CryoMed	Forma Scientific	1010
29	ETI-000440	Laboratory	Cell Freezer	CryoMed	Forma Scientific	1010
385	ETI-000443	Laboratory	Spectrophotometer	Luminescence Spectrophotometer	ThermoSpectronic	FA-357
95	ETI-000446	Laboratory	Spectrophotometer	SpectraMax M5 Fluorometer	Molecular Devices	M5
713	ETI-000447	Laboratory	Sequence Detection System	ABI Prism 7900HT Sequence Detection System	Applied Biosystems	7900HT
806	ETI-000453	Laboratory	TopCount	TopCount NXT HTS Beta Liquid Scintillation Counter	PerkinElmer	
383	ETI-000454	Laboratory	LSC	LS6500	Beckman	LS6500

110	ETI-000459	Laboratory	Freezer	-20C	Frigidaire	
112	ETI-000461	Laboratory	Freezer	-20C	Frigidaire	
699	ETI-000462	Laboratory	Refrigerator	4C Refrigerator	Danby	
335	ETI-000469	Laboratory	Incubator	Cell Incubators (Forma)	Forma Scientific	
336	ETI-000470	Laboratory	Incubator	Cell Incubators (Forma)	Forma Scientific	
337	ETI-000471	Laboratory	Incubator	Cell Incubators (Forma)	Forma Scientific	
338	ETI-000472	Laboratory	Incubator	Cell Incubators (Forma)	Forma Scientific	
4	ETI-000474	Laboratory	Bacharach Kit	Bacharach Kit		
17	ETI-000476	Laboratory	Biological Safety Cabinet	Class II Type A/B	Forma Scientific	214 Type A
18	ETI-000477	Laboratory	Biological Safety Cabinet	Class II Type A/B	Forma Scientific	1286
414	ETI-000480	Laboratory	Oven	Oven with rotator	VWR Scientific	5420
400	ETI-000482	Laboratory	Narcotic Cabinet	Narcotic Cabinet		
334	ETI-000484	Laboratory	Image Station	Kodak Image Station	Kodak	4000MM
420	ETI-000485	Laboratory	PH Meter	PH Mater	Thermo	
111	ETI-000486	Laboratory	Freezer	-20C	Frigidaire	
294	ETI-000488-98	Laboratory	HPLC	HPLC #13	Agilent	

98	ETI-000519-23	Laboratory	FPLC	FPLC #1	Amersham Pharmacia Biotech	UPC-900
758	ETI-000556	Laboratory	Spectrophotometer	SpectraMax Gemini	Molecular Devices	Gemini
301	ETI-000576-85	Laboratory	HPLC	HPLC South #4	Agilent	
819	ETI-000587-92	Laboratory	UPLC	UPLC South #5	Waters	UPD
377	ETI-000593-96	Laboratory	LCMS	Spectrometer API4000	Applied Biosystem	API4000
42	ETI-000605	Laboratory	Centrifuge	GeneVac EZ-2 Plus	Barnstead	EZ2
404	ETI-000606	Laboratory	Nitrogen generator	Nitrogen generator (Nltrovap)	Parker Balston	
302	ETI-000607-15	Laboratory	HPLC	HPLC South #6	Agilent	
313	ETI-000641-47	Laboratory	HPLC	HPLC Prep #5	Phenomenex	TS-430
917	ETI-000661-63	Laboratory	LCMS	Spectrometer ZQ2 (ZQ2000)	Waters	186002000
15	ETI-000667	Laboratory	Balance	Pan Balance Delta range	Mettler Toledo	PB3002-SDR
827	ETI-000675	Laboratory	UV-Vis Spectrophotometer	UV-Vis spectrophotometer (Cary 50 Conc)	Varian	Cary50
695	ETI-000688	Laboratory	Refrigerator	4C Double door refrigerator	VWR Scientific	
292	ETI-000702-09	Laboratory	HPLC	HPLC #2	Waters	71P
288	ETI-000717-22	Laboratory	HPLC	HPLC #8	Waters	WAT270008
286	ETI-000726	Laboratory	HPLC	LS-ELSD	Sedex	Sedex 75
197	ETI-000727	Computer	Comp/Mon/KB + APC	IBM	IBM/APC	

751	ETI-000728	Laboratory	Sonicator	Sonication Cabinet	Branson	
697	ETI-000736	Laboratory	Refrigerator	4C refrigerator	Danby	
333	ETI-000739	Laboratory	Ice maker	Ice maker	Scotsman	
86	ETI-000740	Laboratory	Dishwasher	Dishwasher	Labconco	
3	ETI-000741	Laboratory	Autoclave	Autoclave Tuttnauer	Tuttnauer/Brinkman	3870E
45	ETI-000743	Laboratory	Centrifuge	Optima LE-80K	Beckman	LE80K
46	ETI-000744	Laboratory	Centrifuge	Rotor 50.2 Ti	Beckman	
47	ETI-000745	Laboratory	Centrifuge	Rotor 50.4 TI	Beckman	
48	ETI-000746	Laboratory	Centrifuge	Rotor 70 Ti	Beckman	
51	ETI-000747	Laboratory	Centrifuge	Rotor SW55 Ti w/ 6 buckets	Beckman	
50	ETI-000748	Laboratory	Centrifuge	Rotor SW40 Ti w/ 6 buckets	Beckman	
49	ETI-000749	Laboratory	Centrifuge	Rotor SW28 w/ 6 buckets	Beckman	
38	ETI-000750	Laboratory	Centrifuge	Avanti J-25i	Beckman	Avanti J-25I
39	ETI-000751	Laboratory	Centrifuge	Rotor JA20.1	Beckman	
41	ETI-000752	Laboratory	Centrifuge	Rotor JS13.1	Beckman	
40	ETI-000753	Laboratory	Centrifuge	Rotor JLA10.5	Beckman	
417	ETI-000756	Laboratory	Peptide Synthesizer	Peptide Synthesizer Symphony Multiplex	Protein Technologies	Symphony - R
825	ETI-000762	Laboratory	UV Lamp	UV Lamp Hand held	UVP	UVL-28
	ETI-000770	Laboratory	LCMS	Spectophotometer	PE Sciex	Qstar
375	ETI-000784-88	Laboratory	LCMS	Spectrometer API4000	Applied Biosystem	API4000
840	ETI-000789	Laboratory	Vacuum Pump	Vacuum Pump	Vacuubrand	ME8SI
87	ETI-000794	Laboratory	Embla	Embla	Molecular Devices	Embla
306	ETI-000797-804	Laboratory	HPLC	HPLC South #8	Agilent	
	ETI-000807	Laboratory	LCMS	Spectrometer API 3000	PE Sciex	API 3000
	ETI-000822	Laboratory	LCMS	Spectrometer LCQ	Finnigan MAT	LCQ
52	ETI-000833	Laboratory	Centrifuge	IEC Multi RF	Thermo Electron Corporation	IEC-Multi RF
92	ETI-000837	Laboratory	FACSCalibur	BD FACSCalibur	Becton Dicksen	FACSCalibur
43	ETI-000839	Laboratory	Centrifuge	GeneVac EZ-2 Plus	Barnstead	EZ2
44	ETI-000842	Laboratory	Centrifuge	IEC Multi RF	Thermo Electron Corporation	IEC-Multi RF
888	ETI-000845	Laboratory	Water Bath	Precision 280	Thermo Electron Corp	280
359	ETI-000863	Laboratory	Lab Table	Lab Table on wheels		
330	ETI-000865	Laboratory	Humidity Cabinet	Humidity Cabinet	Espec	LHL-112
331	ETI-000866	Laboratory	Humidity Cabinet	Humidity Cabinet	Espec	LHL-112

401	ETI-000867	Laboratory	Nicomp Particle sizer	Zeta Potential/Particle Sizer Nicomp 380 ZLS	Nicomp	380 ZLS
388	ETI-000872	Laboratory	Lyophilizer	Lyophilizer - Genesis 25EL System	Virtis	Genesis 25EL
402	ETI-000874	Laboratory	Nitrogen generator	Nitrogen generator (Very Large)	Parker Balston	N2-80
741	ETI-00901-06	Laboratory	Solvent Cabinet	Solvent Safety Storage Cabinet	Eagle	1947
731	ETI-000907-13	Laboratory	Shelf Wire	Large wire 4 shelf unit	Metro	
409	ETI-000914	Laboratory	Osmometer	Osmometer	Advanced Instruments	3320
703	ETI-000917	Laboratory	Refrigerator	4C Refrigerator	Danby	
737	ETI-000918	Laboratory	Shelf Wire	Wire 4 shelf unit large	Metro	
926	ETI-000926	Laboratory	PH Meter	Portable Meter	ThermoOrion	230Aplus
931	ETI-000931	Laboratory	Microscope	Light Microsope w/ UV and Camera	Nikon	TE300
939	ETI-000939	Laboratory	Refrigerator	Refrig/Freezer	Frigidaire	
946	ETI-000946-54	Laboratory	Pipettes	Repeater Plus 1 channel	Eppendorf	22260201

956	ETI-000956	Laboratory	IMT Instrument	transducer amplifier module	Hugo Sachs	73-0045
958	ETI-000958-65	Laboratory	IMT Instrument	Bath modules	Hugo Sachs	
	ETI-000966	Laboratory	NMR	Inova 500MHz Shielded	Varian	Inaova 500
968	ETI-000968	Laboratory	Freezer	-80C Freezer	Forma Scientific	
969	ETI-000969	Laboratory	Freezer	-80C Freezer	VWR Scientific	
970	ETI-000970	Laboratory	Freezer	-80C Freezer	VWR Scientific	
974	ETI-000974	Laboratory	Freezer	-80C Freezer	Thermo Electron Corp	
975	ETI-000975	Laboratory	Freezer	-80C Freezer	Thermo Electron Corp	
977	ETI-000977	Laboratory	Freezer	-20C	Frigidaire	
980	ETI-000980	Laboratory	Refrigerator	4C Refrigerator	Danby	
981	ETI-000981	Laboratory	LN2 Freezer	CryoPRO	VWR Scientific	
986	ETI-000986	Laboratory	Freezer	-20C	Frigidaire	
991	ETI-000991	Laboratory	Sonicator	Ultrasonic bath w/ heater	Branson	3510

EXHIBIT D — LEASEHOLD IMPROVEMENTS

1. Installation of generator transfer switch within 180 days of the Commencement Date.

EXHIBIT E — RULES

Subject to the terms of the foregoing Lease:

1. No person shall disturb other occupants of the Building by making loud or disturbing noises.

2. Soliciting, peddling and canvassing are prohibited in the Building and Tenant shall cooperate to prevent the same.

3. Tenant shall be responsible for all damage or injury resulting from the delivery or removal of all articles into or out of the Building or the Leased Premises. No load shall be placed on the floors or in elevators, if any, in excess of the limits of the manufacturers' design requirements, without prior approval of Landlord's facilities engineer.

4. Tenant shall not use any equipment emitting noxious and/or toxic fumes unless they are properly vented at Tenant's expense.

5. Nothing shall be attached to the interior or exterior of the Building without the prior written consent of Landlord which shall not be unreasonably withheld or delayed. However, Tenant shall have the right to install and remove, within the Leased Premises (subject to the terms of this Lease), all of Tenant's furniture and normal business equipment. No window treatments or objects shall be attached to, hung in or used in connection with any exterior of any door or window or from outside the Building, unless approved by Landlord which shall not be unreasonably withheld or delayed.

6. No sign or other representation shall be placed on the interior or exterior of the Building without prior written consent of Landlord which shall not be unreasonably withheld or delayed.

7. No hazardous articles shall be brought into or kept in the Building at any time except in accordance with the Lease and all applicable laws.

8. The mechanical systems, the electrical system and lighting fixtures in the Building and the Leased Premises shall not be altered or disturbed in any manner without the prior written consent of Landlord, which may be withheld in the case of any alteration of such lighting fixtures. Any alterations or additions must be performed by licensed personnel authorized by Landlord.

9. The toilets and other plumbing fixtures shall not be used for any other purpose than those for which they are designed. No sweepings, rubbish or other similar materials or substances shall be deposited therein.

10. Smoking is prohibited in the Building or near or around any entrances.

11. Except during Tenant's normal business hours, Tenant shall keep all doors to the Leased Premises locked and other means of entry to the Leased Premises closed and secured.

12. All cleaning, repairing, janitorial, decorating, painting or other services and work in and about the Leased Premises shall be done only by authorized Building personnel hired by Tenant or Landlord. Tenant shall notify Landlord of those parties performing such services on behalf of

Tenant prior to such work being commenced and provide required insurance naming Landlord as an additional insured.

13. Tenant or Tenant's employees shall not distribute literature, flyers, handouts or pamphlets of any type in any of the exterior Common Areas without the prior written consent of Landlord.

14. Tenant shall not cook, otherwise prepare or sell, any foods or beverages in or from the Leased Premises. However, Tenant shall have the right to prepare food for the exclusive use of Tenant's employees.

15. Tenant shall not permit the use of any apparatus for sound production or transmission in such manner that the sound so transmitted or produced shall be audible or vibrations shall be detectable beyond the Leased Premises.

16. Tenant shall keep all electrical and mechanical apparatus free of vibration, noise and air waves which may be transmitted beyond the Leased Premises.

17. No floor covering shall be affixed to any floor in the Leased Premises by means of glue or other adhesive, unless the installation procedure is approved by Landlord.

18. Tenant shall comply with the Ypsilanti Township Sewer Use Ordinance No. 2001-280. All materials entering the sink drains must be in compliance with the discharge limits set in the ordnance. See http://www.ycua.org/PDFs/TownshipOrdinance2001-280(Water&Sewer).pdf; and http://www.ycua.org/PDFs/2004TownshipSewerUseO rdinance10-19-2004.pdf.

19. Tenant may not use any of the following in the Building without Landlord's prior written certification and written consent:

- Licensed radioactive materials;
- Ionizing radiation producing equipment;
- BL2, BL3 and BL4 pathogens;
- Select Agents and Toxins as defined by CDC, HHS, DEA, ATF and USDA(http://www.selectagents.gov/agentToxinList.htm); and
- Heavy metal containing materials, e.g. Mercury and Lead

20. Any use or storage of flammable liquids shall comply with NFPA 45 Standard on "Fire Protection for Laboratories Using Chemicals."

21. Flammable liquids shall not be heated outside of a fume hood or a sealed UL approved apparatus.

22. Tenant may not use any reaction vessels or receiver greater than 4 liters in volume.

23. All biological/chemical storage and waste containers larger than 4 liters must be UL approved.

24. To the extent Tenant determines to conduct animal experiment or research within the Building, such work shall be conducted only inside the vivarium located within the Building, with the exception of occasional terminal procedures conducted by Tenant scientists for the purpose of post-mortem analysis and performed under the supervision of a licensed veterinarian and that do not involve the re-introduction of any animal into the vivarium.

25. All invasive procedures involving animals shall be directed by a licensed veterinarian.

26. Tenant shall comply with all rules and regulations established by Landlord pursuant to Section 12.1 of the Lease.

27. Landlord shall use the best efforts to enforce the foregoing rules and regulations as to other tenants of the Building. Landlord shall have the right to amend these rules and regulations from time to time as provided in such Section 12.1 of the Lease.

Exhibit 21.1

Subsidiaries of the Registrant

None.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and the use of our report dated April 12, 2013 (except Note 1 and Note 18, as to which the date is April 19, 2013), in the Registration Statement (Form S-1) and related Prospectus of Esperion Therapeutics, Inc. dated May 14, 2013.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin
May 14, 2013

Goodwin Procter LLP
Counselors at Law
Exchange Place
Boston, MA 02109
T: 617.570.1000
F: 617.523.1231

May 14, 2013

VIA EDGAR AND FEDERAL EXPRESS

United States Securities and Exchange Commission
Division of Corporation Finance
Mail Stop 4561
100 F. Street, N.E.
Washington, D.C. 20549
Attention: Jeffrey P. Riedler

Re: Esperion Therapeutics, Inc.
Draft Registration Statement on Form S-1
Submitted April 12, 2013
CIK No. 0001434868

Dear Mr. Riedler:

This letter is being submitted on behalf of Esperion Therapeutics, Inc. (the "Company") in response to the comments of the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") with respect to the Company's Confidential Draft Registration Statement on Form S-1 submitted on April 12, 2013 (the "Draft Registration Statement"), as set forth in your letter dated May 8, 2013 addressed to Tim M. Mayleben, President and Chief Executive Officer of the Company (the "Comment Letter"). The Company is concurrently filing its Registration Statement on Form S-1 (the "Registration Statement"), which includes changes to reflect responses to the Staff's comments.

For reference purposes, the text of the Comment Letter has been reproduced herein with responses below each numbered comment. For your convenience, we have italicized the reproduced Staff comments from the Comment Letter. Unless otherwise indicated, page references in the descriptions of the Staff's comments refer to the Draft Registration Statement, and page references in the responses refer to the Registration Statement.

The responses provided herein are based upon information provided to Goodwin Procter LLP by the Company. In addition to submitting this letter via EDGAR, we are sending via Federal Express two (2) copies of each of this letter and the Registration Statement (marked to show changes from the Draft Registration Statement).

General

1. *We note that your draft is currently incomplete, as the number of shares to be offered, the range of the initial public offering price, several exhibits, and other disclosure items are omitted. Please be advised that we will not be in a position to grant effectiveness to your registration statement until it has been publicly filed and all required disclosure is included.*

   RESPONSE: The Company acknowledges that the Staff will not be in a position to grant effectiveness to the Registration Statement until all required disclosure is included. The Company respectfully advises the Staff that the form of legal opinion (Exhibit 5.1) to the Registration Statement is being provided supplementally to the Staff on the date hereof.

2. *We further note that you have submitted an application for confidential treatment concerning one of your exhibits. Please be advised that comments to this application, if any, will be sent under separate cover and that any such comments must be resolved prior to your requesting effectiveness of your registration statement.*

   RESPONSE: The Company acknowledges that the Staff's comments, if any, to the Company's confidential treatment request will be sent under separate cover and that any such comments must be resolved prior to the Company requesting effectiveness of the Registration Statement.

3. *Please supplementally provide us with copies of all written communications, as defined in Rule 405 under the Securities Act, that you, or anyone authorized to do so on your behalf, present to potential investors in reliance on Section 5(d) of the Securities Act, whether or not they retain copies of the communications. Similarly, please supplementally provide us with any research reports about you that are published or distributed in reliance upon Section 2(a)(3) of the Securities Act of 1933 added by Section 105(a) of the Jumpstart Our Business Startups Act by any broker or dealer that is participating or will participate in your offering.*

   RESPONSE: The Company advises the Staff that at this time it has not presented any written communications to potential investors in reliance on Section 5(d) of the Securities Act. The Company also advises the Staff that at this time no broker or dealer that is participating or will participate in the offering has published or distributed any research reports about the Company in reliance upon Section 2(a)(3) of the Securities Act added by Section 105(a) of the Jumpstart Our Business Startups Act. To the extent the Company does present any written communications to potential investors in reliance on Section 5(d) of the Securities Act or any broker or dealer that is participating or will participate in the offering publishes or distributes any research reports about the Company in reliance upon Section 2(a)(3) of the Securities Act added by Section 105(a) of the Jumpstart Our Business Startups Act, the Company will supplementally provide the Staff with copies of all such written communications or research reports.

Prospectus Summary
ETC-1002, page 1

4. *Please amend the description here and on page 64 of how ETC-1002 will function to make the description more easily understandable by the lay reader while explaining more specifically how ETC-1002 will act to reduce LDL-C levels.*

RESPONSE: In response to the Staff's comment, the Company has revised pages 1-2 and 67-68 to make the description of how ETC-1002 functions more easily understandable by the lay reader while explaining more specifically how ETC-1002 acts to reduce LDL-C levels.

Populations of Interest, page 2

5. In your discussion of the Residual Risk Market, please amend your disclosure to state the basis of your estimate that 70% of individuals who use ETC-1002 as an add-on therapy would achieve their goals while the remainder would experience some decrease in LDL-C.

RESPONSE: In response to the Staff's comment, the Company respectfully advises the Staff that the Company did not intend to indicate that 70% of individuals who use ETC-1002 as an add-on therapy would necessarily achieve their LDL-C goals. Rather, the Company intended to state its belief that of the 11 million residual risk patients in the United States, the Company estimates that 70% of those patients, or 7.7 million people, are within 30% of their LDL-C goal. This estimate is based upon data from the Centers for Disease Control and Prevention study, "Vital Signs: Prevalence, Treatment, and Control of High Levels of Low-Density Lipoprotein Cholesterol—United States, 1999 — 2002 and 2005 — 2008" (the "CDC Study"). The Company respectfully advises the Staff that a copy of the CDC Study is being provided supplementally to the Staff on the date hereof.

The CDC Study included 743 patients who were then taking a lipid lowering therapy. Of those 743 patients, 229 patients were unable to achieve their LDL-C goal through their existing treatment. The CDC Study found that of the 229 patients unable to achieve their LDL-C goal, 167 patients, or approximately 70%, were within 30% of their LDL-C goal. The Company has revised pages 2 and 72-73 to reference the CDC Study as the basis for its estimate.

The Offering, page 5

6. In this discussion, and nowhere else in your draft registration statement, you make reference to a possible reverse split of your common stock to be effected at an indefinite date. Please advise us as to whether or not you intend to effect such a reverse split and approximately when you expect it to take place. If you are certain that you will initiate a reverse stock split, please address this in your risk factor on pages 33-34 and consider including a discussion of it in your Business section and wherever else appropriate in

your submission.

RESPONSE: In response to the Staff's comment, the Company advises the Staff that the Company expects to effect a customary reverse stock split prior to filing a preliminary prospectus that includes a price range and to revise all disclosures in such preliminary prospectus to reflect the reverse stock split. The Company respectfully submits to the Staff that because it intends to effect the reverse stock split prior to filing a preliminary prospectus that includes a price range, the Company believes that the reverse stock split is not a material risk to the Company, the offering or an investment in the Company's common stock, and is not material to an understanding of the Company's business.

Risk Factors
"We may need substantial additional capital in the future. If additional capital is not available, we will have to delay, reduce or cease operations," page 12

7. Please expand the risk factor discussion to indicate the anticipated time period for completion of Phase 2b clinical trials and end of Phase 2 meeting with the FDA.

RESPONSE: In response to the Staff's comment, the Company has expanded its disclosure on pages 5, 12, 41 and 62 to indicate the anticipated time periods for completion of Phase 2b clinical trials and an end of Phase 2 meeting with the FDA.

"Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights," page 32

8. Please expand both the sub-caption and body of this risk factor to reflect that your investors will experience immediate dilution stemming from the difference in the public offering price and the pro forma net tangible book value per share of your common stock.

RESPONSE: In response to the Staff's comment, the Company has added a new risk factor on page 32 to reflect that the Company's investors will experience immediate dilution stemming from the difference in the public offering price and the pro forma net tangible book value per share of its common stock.

"We have operated as a private company and have no experience attempting to comply with public company reporting and other obligations . . .," page 33

9. Please include in this risk factor an estimate of the annual costs associated with your reporting obligations.

RESPONSE: The Company respectfully advises the Staff that while it expects its legal, accounting and other general and administrative expenses to be higher once it is a public company, the Company does not believe it is possible to accurately predict or estimate the amount of additional costs it may incur or the timing of such costs. The increase in legal, accounting and other expenses, and the timing of these increases, will be affected by numerous variables, the effects of which cannot be predicted accurately. Furthermore,

while many of these increased costs relate to costs associated with the public reporting requirements with which the Company has not historically had to comply, including rules of the Commission, the Nasdaq Global Market and the Sarbanes-Oxley Act, some of such increased costs will result from additional infrastructure necessary to support the Company's business, including its conduct of larger clinical trials. In addition, the Company cannot accurately predict when it will lose emerging growth company status and therefore cannot estimate when the additional compliance costs might increase. While the cost increase is undeniably driven by both anticipated public company costs and the inherent costs of operating an increasingly complex business, the Company respectfully submits to the Staff that the Company is concerned that attempting to allocate specific quantities of expenses to one or the other cause is necessarily speculative and potentially misleading.

Use of Proceeds, page 40

10. Please amend your disclosure to state the approximate dollar amount you intend to allocate toward the clinical development of ETC-1002 and clarify whether or not you believe this amount will be sufficient to launch a Phase 3 trial. In addition, please provide more information about the other expenditures you intend to make and the amounts to be allocated to each.

RESPONSE: In response to the Staff's comment, the Company has amended is disclosure on pages 12, 41 and 62.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Research and Development Expenses, page 48

11. Please expand your tabular disclosure on page 49 to include research and development costs incurred to date from the point in time that you began tracking those costs by program.

RESPONSE: In response to the Staff's comment, the Company has expanded its tabular disclosure on page 50 to include these research and development costs incurred since inception.

Emerging Growth Company Status, page 56

12. Please expand this discussion to include the other exemptions that are available to you, such as the shareholder approval of executive compensation requirements of Sections 14A(a) and (b) of the Securities Exchange Act of 1934.

RESPONSE: In response to the Staff's comment, the Company has expanded the discussion on page 57 to include the other exemptions that are available to it as an "emerging growth company."

Critical Accounting Policies and Significant Judgments and Estimates
Stock-Based Compensation & Warrant Liability
Significant Factors, Assumptions and Methodologies Used in Determining Fair Value, page 51

13. We have the following comments regarding your disclosure and accounting for stock-based compensation:

- *Since you have not disclosed an estimated offering price we are deferring a final evaluation of stock compensation and other costs recognized until the estimated offering price is specified. We may have further comment in this regard when the amendment containing that information is filed;*

  RESPONSE: The Company acknowledges the Staff's comment and respectfully advises the Staff that it will soon supplementally provide the Staff with a *bona fide* estimate of the range of the initial offering price for the shares of the Company's common stock offered by the Registration Statement. The Company respectfully advises the Staff that the estimated price range submitted supplementally may have a large variance between the low and the high end to reflect that the Company will be providing the range at a time when the results of ETC-1002-006, its first clinical trial specifically designed to evaluate ETC-1002 in a statin intolerant population with a primary endpoint of LDL-C lowering, are not yet available. The Company expects to receive top-line efficacy and safety results from ETC-1002-006 in June 2013 prior to requesting that the Registration Statement be declared effective, and the Company expects that these results will have a material impact on the price of the Company's common stock.

- *Please provide a discussion of each significant factor contributing to the difference between the fair value as of the date of each grant and the estimated IPO price range. Please reconcile and explain the differences between the mid-point of your estimated offering price range and the fair values included in your analysis; and*

  RESPONSE: In response to the Staff's comment, the Company has added a discussion beginning on pages 56-57 of each significant factor contributing to the difference between the fair value as of the date of the most recent grant and the estimated IPO price range that it will provide supplementally to the Staff.

- *Once the IPO price is disclosed, we will assess your accounting for convertible equity and debt issuances.*

  RESPONSE: The Company acknowledges the Staff's comment and respectfully advises the Staff that it is supplementally providing the Staff with a *bona fide* estimate of the range of the initial offering price for the shares of the Company's common stock offered by the Registration Statement. The Company respectfully advises the Staff that the estimated price range submitted supplementally may have a large variance between the low and the high end to reflect that the Company will be providing the range at a time when the results of ETC-1002-006, its first clinical trial

specifically designed to evaluate ETC-1002 in a statin intolerant population with a primary endpoint of LDL-C lowering, are not yet available. The Company expects to receive top-line efficacy and safety results from ETC-1002-006 in June 2013 prior to requesting that the Registration Statement be declared effective, and the Company expects that these results will have a material impact on the price of the Company's common stock.

Business
ETC-1002, page 64

14. In this discussion, please state expressly whether the research you have performed and the discoveries you have made into inhibiting ACL and activating AMPK provides conclusive evidence that ETC-1002 is differentiated from statins and has the therapeutic effects you cite in your disclosure. If controversy remains in the medical and/or scientific community as to any of your hypotheses, you should amend your disclosure to note this and to discuss any potential ramifications, particularly how these uncertainties cast doubt upon the possibility of developing ETC-1002. To the extent appropriate, any such controversies should also be addressed in your prospectus summary and in an independent risk factor.

RESPONSE: In response to the Staff's comment, the Company has expanded its disclosure on page 68 to clarify that ETC-1002 and statins have distinct mechanisms of action that target different enzymes. The Company respectfully advises the Staff that the Company is a development stage biopharmaceutical company and that, to date, ETC-1002 has only completed Phase 2a clinical trials. The Company will seek to demonstrate its hypotheses regarding ETC-1002's differentiated and overall therapeutic effects through Phase 2b and 3 clinical trials before it can obtain regulatory approval for ETC-1002, as discussed throughout the Registration Statement, including on pages 9-12 of "Risk Factors."

Shares Eligible for Future Sale, page 120

15. Please file as an exhibit a form of the Lock-Up Agreement entered into between you and your directors, executive officers, and certain shareholders.

RESPONSE: In response to the Staff's comment, the Company respectfully advises the Staff that the Company is not a party to the lock-up agreements entered into by the Company's directors, executive officers and shareholders and has revised the disclosure on page 124 accordingly. The Company also respectfully advises the Staff that the form of lock-up agreement executed by the Company's directors, executive officers and shareholders will be filed as an exhibit to the form of underwriting agreement, which will be filed as Exhibit 1.1 to the Registration Statement.

Financial Statements
Notes to Financial Statements
8. Fair Value Measurements, page F-15

16. *You disclose that the fair value of your warrant liabilities increased by $32,367 during 2012. However, since the value of the warrant liability decreased and you recognized income due to the decrease in the value of the warrant liability you should have described the change in the fair value of the warrant liability as a decrease. Please revise.*

RESPONSE: In response to the Staff's comment, the Company has revised the disclosure on page F-19.

If you should have any questions concerning the enclosed matters, please contact the undersigned at (617) 570-1971.

Sincerely,

/s/ Arthur R. McGivern
Arthur R. McGivern

Enclosures

cc: Tim Mayleben, *Esperion Therapeutics, Inc.*
Mitchell S. Bloom, *Goodwin Procter LLP*