

SIGA TECHNOLOGIES INC
Form DEF 14A
April 17, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2
SIGA Technologies, Inc.

(Name of Registrant as Specified In Its Charter)

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(3)

Date Filed:

(4)

SIGA Technologies, Inc.
660 Madison Avenue, Suite 1700
New York, New York 10065
(212) 672-9100

April 19, 2017

Dear Stockholder:

You are cordially invited to attend our 2017 Annual Meeting of Stockholders on May 23, 2017, at 10:30 a.m. (local time), at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29th Floor, New York, New York 10036. On the following pages you will find the formal notice of the annual meeting and proxy statement.

To ensure that you are represented at the Annual Meeting, whether or not you plan to attend the meeting in person, please read carefully the accompanying proxy statement, which describes the matters to be voted upon, and please complete, date, sign and return the enclosed proxy card promptly.

I hope that you will attend the meeting and I look forward to seeing you there.

Sincerely,

Phillip L. Gomez, Ph.D.

Chief Executive Officer

SIGA Technologies, Inc.
660 Madison Avenue, Suite 1700
New York, New York 10065

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 23, 2017

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of SIGA Technologies, Inc. (“SIGA” or the “Company”), a Delaware corporation, will be held on Tuesday, May 23, 2017, at 10:30 a.m. (local time), at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29th Floor, New York, New York 10036, and at any adjournment.

At the Annual Meeting, SIGA’s stockholders will be voting on proposals to do the following:

1. To elect nine directors to the Board of Directors of SIGA;

To approve an amendment and restatement of the SIGA 2010 Stock Incentive Plan (the “2010 Plan”) to increase the maximum number of shares of common stock available for issuance under the 2010 Plan from 4,500,000 to 8,500,000 and to promote tax efficiency for certain types of performance-based compensation;

3. To vote on a non-binding advisory resolution regarding executive compensation;

4. To vote on the frequency of a non-binding advisory resolution regarding executive compensation;

5. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2017; and

6. To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.

Stockholders of record at the close of business on March 31, 2017 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. A list of such stockholders will be available at the Annual Meeting and for any purpose properly related to the Annual Meeting, during the ten days prior to the Annual Meeting, at SIGA’s office, during ordinary business hours.

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All stockholders are cordially invited to attend the Annual Meeting. If you do not expect to be present at the Annual Meeting, you are requested to fill in, date and sign the enclosed proxy and mail it promptly in the enclosed envelope to make sure that your shares are represented at the Annual Meeting. In the event you decide to attend the Annual Meeting in person, you may, if you desire, revoke your proxy and vote your shares in person.

Directions to the offices of Kramer Levin Naftalis & Frankel LLP are included on the outside back cover of the Proxy Statement for the Annual Meeting.

YOUR VOTE IS IMPORTANT.

IF YOU ARE UNABLE TO BE PRESENT PERSONALLY, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY, WHICH IS BEING SOLICITED BY THE BOARD OF DIRECTORS, AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE.

By Order of the Board of Directors,

Daniel J. Luckshire
Secretary

New York, New York
April 19, 2017

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to be Held on May 23, 2017.**

**The Proxy Statement and 2016 Annual Report on Form 10-K are
available in the “Investor Relations” section of our website at *www.siga.com***

SIGA Technologies, Inc.
660 Madison Avenue, Suite 1700
New York, New York 10065
(212) 672-9100

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
MAY 23, 2017

This proxy statement is furnished to stockholders of SIGA Technologies, Inc. (“SIGA”, the “Company” or “we”) in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of SIGA (the “Board of Directors”) for use in voting at the Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29th Floor, New York, New York 10036, on Tuesday, May 23, 2017, at 10:30 a.m. (local time), and at any adjournment or postponement thereof.

This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about April 19, 2017.

VOTING RIGHTS AND SOLICITATION OF PROXIES

Purpose of the Annual Meeting

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this proxy statement.

Record Date and Outstanding Shares

The Board of Directors has fixed the close of business on March 31, 2017 as the record date (the “Record Date”) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting or any and all adjournments or postponements thereof. As of the Record Date, SIGA had issued and outstanding 78,780,059 shares of common stock, par value \$.0001 per share (“Common Stock”).

Voting at the Annual Meeting

Each share of Common Stock outstanding on the Record Date will be entitled to one vote on each matter submitted to a vote of the stockholders. Cumulative voting by stockholders is not permitted.

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions will be counted as shares present for purposes of determining the presence of a quorum on all matters. Brokers holding shares for beneficial owners in “street name” must vote those shares according to specific instructions they receive from the owners of such shares. If instructions are not received, brokers may vote the shares, in their discretion, depending on the type of proposals involved. Broker “non-votes” result when brokers are precluded from exercising their discretion on certain types of proposals. Brokers have discretionary authority to vote under the rules governing brokers to vote without instructions from the beneficial owner on certain “routine” items, such as the ratification of the appointment of the independent registered public accounting firm and, accordingly, your shares may be voted by your broker on Proposal No. 5. However, brokers do not have discretionary authority to vote on the other proposals included herein. Shares that are voted by brokers on some but not all of the matters will be treated as shares present for purposes of determining the presence of a quorum on all matters, but will not be treated as shares entitled to vote at the Annual Meeting on those matters as to which authority to vote is withheld by the broker.

For the election of directors, a plurality of the votes cast is required. Abstentions and broker “non-votes” are not considered to have been voted for the purpose of the election of directors.

For the approval of the amendment and restatement of the 2010 Plan and for the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2017, the affirmative vote of a majority of the total votes cast on such proposal in person or by proxy at the Annual Meeting is required. Abstentions and broker “non-votes” are not considered to have been voted on these proposals. Brokers and other nominees continue to have discretionary voting power to vote without instructions from the beneficial owner on the ratification of the appointment of the independent auditor and, accordingly, your shares may be voted by your broker on this proposal.

Dissenters’ Rights

Proposals 1, 2, 3, 4 and 5 do not give rise to any statutory right of a stockholder to dissent and obtain the appraisal of or payment for such stockholder’s shares.

Revocability and Voting of Proxies

Any person signing a proxy in the form accompanying this proxy statement has the power to revoke it prior to the Annual Meeting or at the Annual Meeting prior to the vote pursuant to the proxy. A proxy may be revoked by any of the following methods:

1. writing a letter delivered to Daniel J. Luckshire, Secretary of SIGA, stating that the proxy is revoked;
2. submitting another proxy with a later date; or
3. attending the Annual Meeting and voting in person.

Please note, however, that if a stockholder’s shares are held of record by a broker, bank or other nominee and that stockholder wishes to vote at the Annual Meeting, the stockholder must bring to the Annual Meeting a letter from the broker, bank or other nominee confirming that stockholder’s beneficial ownership of the shares.

Unless we receive specific instructions to the contrary or unless such proxy is revoked, shares represented by each properly executed proxy will be voted: (i) FOR the election of each of SIGA's nominees as a director; (ii) FOR the approval of the amendment and restatement of the 2010 Plan to increase the maximum number of shares of Common Stock available for issuance under the 2010 Plan from 4,500,000 shares to 8,500,000 shares and to promote tax efficiency for certain types of performance-based compensation; (iii) FOR the approval of SIGA's compensation philosophy, policies and procedures described in the Compensation Discussion and Analysis section ("CD&A"); (iv) FOR a vote on executive compensation to occur once every THREE YEARS; (v) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2017; and (vi) with respect to any other matters that may properly come before the Annual Meeting, at the discretion of the proxy holders. We do not presently anticipate that any other business will be presented for action at the Annual Meeting.

Solicitation

SIGA will pay the costs of soliciting proxies. SIGA may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to beneficial owners. Directors, officers and regular employees may also solicit proxies by telephone, facsimile, in person or other means. They will not receive any additional payments for the solicitation.

BOARD OF DIRECTORS

The current directors are James J. Antal, Michael J. Bayer, Thomas E. Constance, Phillip L. Gomez, Jeffrey B. Kindler, Joseph W. Marshall III, Eric A. Rose, Paul G. Savas, Bruce Slovin, Andrew L. Stern. Mr. Slovin and Mr. Stern will not be standing for re-election at SIGA's 2017 annual meeting of stockholders. Their departure is not the result of any disagreement with SIGA. Mr. Slovin and Mr. Stern will continue to serve on SIGA's Board of Directors until their terms expire at end of the 2017 annual meeting of stockholders. The Board and management thank these departing board members. Michael C. Plansky has been nominated to become a director of the Company.

Director Nominee Information

Eric A. Rose, M.D. was appointed Executive Chairman of the Board of Directors on October 13, 2016. Prior to such date, he had served as Chairman of the Board of Directors since January 25, 2007, and as the Company's Chief Executive Officer since March 1, 2007. Dr. Rose has served as a director of SIGA since April 19, 2001 and served as Interim Chief Executive Officer of SIGA during April-June 2001. Dr. Rose chaired the Department of Health Evidence & Policy at the Mount Sinai School of Medicine from 2008 to 2012, which he now serves as professor. From 1994 through 2007, Dr. Rose served as Chairman of the Department of Surgery and Surgeon-in-Chief of the Columbia Presbyterian Center of New York Presbyterian Hospital. Dr. Rose is a graduate of both Columbia College and Columbia University College of Physicians & Surgeons. In addition to his roles at SIGA, Dr. Rose held a position as Executive Vice President – Life Sciences at MacAndrews & Forbes Incorporated, a related party to SIGA, until December 2016. In April 2013, he became a director for Mesoblast Inc. where he serves as chair of the scientific and technology committee. In 2015, Dr. Rose became a director of Abiomed, Inc. Dr. Rose's experience and training as a practicing physician and a nationally recognized cardiothoracic surgeon enables him to bring valuable insight to the Board of Directors, including his understanding of the scientific aspects of our business and the ability to assist in prioritizing opportunities for drug development. In addition, Dr. Rose managed a large research portfolio and an extensive research and education budget at the Columbia Presbyterian Center, giving him a critical perspective on drug discovery and development and the issues facing pharmaceutical and biotechnology companies.

James J. Antal has served as a director of SIGA since November 2004. Mr. Antal has been an active consultant and founding investor in several Southern California based emerging companies since his retirement from Experian, a \$1.6 billion global information services subsidiary of UK-based GUS plc. He has served as Chief Financial Advisor to Black Mountain Gold Coffee Co. (2003 to 2005), and as Chief Financial Officer of Pathway Data, Inc. (2005 to 2009). Mr. Antal joined the board of directors and served as the chairman of the audit committee for Cleveland Bio Labs, Inc. since its initial public offering in July 2006 until 2016. Mr. Antal was the Chief Financial Officer and Chief Investment Officer from 1996 to 2002 for Experian. Prior to the GUS acquisition of Experian (the former TRW Inc. Information Systems and Services businesses), Mr. Antal held various finance positions with TRW from 1978 to 1996, including Senior Vice President of Finance for TRW Information Systems and Services and TRW Inc. and

Corporate Director of Financial Reporting and Accounting. He earned his undergraduate degree in accounting from The Ohio State University in 1973, and became a certified public accountant (Ohio) in 1974. He engaged in active practice as a CPA with Ernst & Ernst until 1978. Mr. Antal has served as a director of First American Real Estate Solutions, an Experian joint venture with First American Financial Corp. Mr. Antal has many years of valuable business, leadership and management experience that provides him with insight into many aspects of SIGA's business, including an understanding of corporate finance, financial statements, accounting matters and capital markets. Mr. Antal also brings financial experience to the Board of Directors through his 32-year career as an entrepreneur, his various financial positions at other public companies and through his prior service as chairman of the audit committee for Cleveland Bio Labs.

Michael J. Bayer has served as a director of SIGA since October 2008. Mr. Bayer has been a private consultant in the energy and national security sectors since 1992. Mr. Bayer is the President and Chief Executive Officer of Dumbarton Strategies LLC, an energy and national security consulting firm. He is the former Chairman of the U.S. Department of Defense's Business Board and serves as a member of the U.S. Department of Defense's Science Board and the Chief of Naval Operations' Executive Panel. Mr. Bayer is a former director of Willbros Group, Inc., Dyncorp International, Stratos Global Corporation, Duratek, Inc. and Athena Inc. Mr. Bayer brings many years of experience in the defense industry to the Board of Directors, which positions him to provide oversight for our Company in a highly regulated industry and to provide guidance in government relations, particularly with the Department of Defense and other government agencies. Mr. Bayer also brings substantial corporate governance and compliance oversight expertise through his previous service on the audit committee and nominating and corporate governance committee of Dyncorp International and through his prior service as the chair of the governance and nominating committee of Willbros Group.

Thomas E. Constance has served as a director of SIGA since April 2001. Mr. Constance is Chairman and, since 1994, a partner of Kramer Levin Naftalis & Frankel LLP, a law firm in New York City, which SIGA has retained to provide certain legal services. Mr. Constance serves as a director of Bond Street Holdings, Inc. and as a Trustee of the M.D. Sass Foundation. He also serves on the Advisory Board of Directors of Barington Capital, L.P. As a practicing attorney, Mr. Constance brings to the Board of Directors many years of experience counseling public companies with respect to governance and other legal matters.

Phillip L Gomez began serving as Chief Executive Officer on October 13, 2016 and was appointed as a director on December 6, 2016. Prior to joining SIGA, Dr. Gomez was a Principal in the Pharma & Life Sciences Management Consulting Practice at PricewaterhouseCoopers LLP (“PwC”) since 2011. At PwC, and at PRTM Management Consultants (“PRTM”), where he was a Director from 2007-2011 prior its acquisition by PwC, Dr. Gomez led the team that focused on the development and execution of business strategies for leading pharmaceutical companies, governmental agencies, academic medical centers, and foundations with respect to product development and manufacturing of pharmaceutical products. Dr. Gomez joined PRTM from the Vaccine Research Center at the National Institute of Allergy and Infectious Diseases at the NIH, where he worked from 2001 – 2007 and established the Vaccine Production Program, which manufactured vaccines for clinical trials against HIV, SARS, Ebola, West Nile Virus and Influenza. Prior to NIH, Dr. Gomez spent more than nine years in the pharmaceutical industry at Abbott Laboratories, Sanofi Pasteur, and Baxter Healthcare Corporation in positions of increasing responsibility, leading process/product development initiatives and project teams for the development of multiple biologic products. Dr. Gomez holds a Bachelor of Arts degree from Dartmouth College, a Master of Science and a Doctor of Philosophy in chemical engineering from Lehigh University, and a Master of Business Administration from the Smith School of Business at the University of Maryland. Dr. Gomez’s long career in various management and consulting positions within industry and government, as well as Dr. Gomez’s position as chief executive officer of SIGA, provides the Board of Directors with valuable leadership and insight into many aspects of our business.

Jeffrey B. Kindler has served as a director of SIGA since March 2013. Mr. Kindler is the CEO of Centrexion, a privately held clinical stage biopharmaceutical company; the Executive Chairman of vTv Therapeutics Inc., a publicly traded clinical-stage pharmaceutical company focused on the discovery and development of human therapeutics to fill unmet medical needs; a Venture Partner at Lux Capital, a leading venture capital firm; and a managing director at Starboard Capital Partners, a Connecticut-based private equity firm. He also serves on the boards of AgaMatrix Inc., a developer and manufacturer of diabetes products; Intrexon Corporation, a synthetic biology company; PPD, a global contract drug discovery and development research organization; a number of other privately held companies and Tufts University. Additionally, Mr. Kindler provides consulting services to MacAndrews & Forbes Incorporated on matters involving the life sciences industry. Mr. Kindler was formerly the Chairman and Chief Executive Officer of Pfizer, Inc. which he joined in January 2002 and from which he retired in December 2010. He joined Pfizer as Executive Vice President and General Counsel and, prior to his appointment as CEO in July 2006, he served as a Vice Chairman of the Company. In 1996, Mr. Kindler joined McDonald’s Corporation as Executive Vice President and General Counsel and in 1990 Mr. Kindler joined the General Electric Company as Vice President of Litigation and Legal Policy. Mr. Kindler not only has significant experience with public companies, he also has extensive experience in the pharmaceutical industry. Mr. Kindler’s long career in various management positions, most recently in the pharmaceutical industry, provides the Board of Directors with valuable leadership and management insights into many aspects of our business.

Joseph W. “Chip” Marshall, III has served as a director of SIGA since early 2009. Mr. Marshall is the former President and Chief Executive Officer of Temple University Health System (2001-2008). In 2000, he became Chair of Temple University Health System and served in that capacity until 2007. Prior to 2000, Marshall was a founding partner at Goldman & Marshall P.C., Philadelphia, PA, a corporate healthcare law firm. He received his B.A. and J.D. degrees (1975 and 1979, respectively) from Temple University. In 1990, he joined the Temple University Board of Trustees. He was a founding member of the Temple University Health System Board of Directors in 1995. He served on the Pennsylvania State Ethics Commission in the 1980s and early 1990s, including as Chairman for a portion of that period. During 2005-2006, he served as a Member of the Federal Medicaid Commission. Additionally, during 2004-2006, he served as a Member of the Pennsylvania Gaming Control Board. Mr. Marshall has more than 30 years of experience in healthcare and is a prominent and highly regarded figure in the healthcare and higher education sectors. His excellent leadership, visibility and expertise in healthcare are of considerable value to the Board of Directors.

Michael C. Plansky has 35 years of experience at KPMG LLP where he served in a variety of senior leadership positions until his retirement in 2010. From 2005-2009, he was the National Partner in Charge, Risk Management – Audit, and Regional Risk Management Partner, serving on the firm’s Professional Practice Committee and having responsibility for oversight of risk management for the Americas region. Mr. Plansky also served as the firm’s Ombudsman and a member of its Legal and Compliance Committee and Management Review Panel. Earlier in his tenure, he held the roles of Lead Audit Engagement Partner, SEC Reviewing Partner and National Director of the firm’s Consumer Products Practice, serving a broad range of global public companies. Also, Mr. Plansky served as a director on ANN INC.’s Board of Directors between 2011 and 2015 and was an Adjunct Associate Professor at New York University’s Leonard N. Stern School of Business. Mr. Plansky provides our Board with broad accounting expertise, including significant knowledge in audit and risk management, and extensive experience across many industries.

Paul G. Savas has served as a director of SIGA since January 2004. Mr. Savas is Executive Vice President and Chief Financial Officer at MacAndrews & Forbes Incorporated. He joined MacAndrews & Forbes Incorporated in 1994 as Director of Corporate Finance, served in various positions of increasing responsibility and became Chief Financial Officer in 2007. He also serves as a director of Revlon, Inc., Harland Clarke Holding Corp. and vTv Therapeutics Inc. Mr. Savas provides our Board valuable business, leadership and management insights with respect to our strategic, operational and financial direction. Mr. Savas’s strong financial background, including his work at MacAndrews & Forbes Incorporated and his service on other boards, also provides financial expertise to the Board of Directors, including an understanding of financial statements, corporate finance, accounting and capital markets.

Meetings of the Board of Directors

During 2016, the Board of Directors held 13 meetings. Those members of the Board of Directors who are independent as defined by Rule 5605 of the NASDAQ Marketplace Rules (the “Independent Directors”) also regularly convene executive sessions where only such Independent Directors are present. Such meetings may be in conjunction with regularly scheduled meetings of the Board of Directors. Each member of the Board of Directors is also urged to attend the Annual Meeting. Seven members of the Board of Directors attended SIGA’s 2016 annual meeting of stockholders.

Committees of the Board of Directors

The Board of Directors is responsible for appointing the members of the standing Audit, Compensation, and Nominating and Corporate Governance Committees. Each member of the Audit, Compensation, and Nominating and Corporate Governance Committees is an Independent Director. Each of these committees has a written charter that was approved by the Board of the Directors. A copy of each charter is posted on SIGA’s website at www.siga.com under the “Corporate Governance” section.

Audit Committee. The Audit Committee, which consisted of directors Paul G. Savas, James J. Antal, and Bruce Slovin, held five meetings during 2016. The Board of Directors has determined that each of the members of the Audit Committee is “independent” under the applicable laws, rules and regulations. Moreover, the Company has determined that Mr. Savas is an “audit committee financial expert” within the meaning of Regulation S-K promulgated by the Securities and Exchange Commission (the “SEC”). The purpose of the Audit Committee is to assist the Board of Directors in the oversight of the integrity of SIGA’s financial statements, SIGA’s compliance with legal and regulatory matters, the independent registered public accounting firm’s qualifications and independence, and the performance of SIGA’s independent registered public accounting firm. The primary responsibilities of the Audit Committee are set forth in its charter and include various matters with respect to the oversight of SIGA’s accounting and financial reporting process and audits of the financial statements of SIGA on behalf of the Board of Directors. The Audit Committee also selects the independent registered public accounting firm to conduct the annual audit of SIGA’s financial statements; reviews the proposed scope of such audit; reviews the Company’s accounting and financial controls with the independent registered public accounting firm and our financial accounting staff; and reviews and approves transactions, if any, between us and our directors, officers, and their affiliates. A copy of the Audit Committee charter is available on SIGA’s website at www.siga.com under the “Corporate Governance” section. Also see the section of this proxy statement entitled “Report of the Audit Committee.”

Compensation Committee. The Compensation Committee, which consisted of directors Paul G. Savas, Bruce Slovin, and Joseph W. Marshall, held five meetings during 2016. The Board of Directors has determined that each of the members of the Compensation Committee is “independent” within the meaning of the NASDAQ listing standards. The Compensation Committee functions include reviewing and approving the compensation and benefits for SIGA’s executive officers, administering SIGA’s equity incentive plans and making recommendations to the Board of Directors regarding these matters. A copy of the Compensation Committee charter is available on SIGA’s website at www.siga.com under the “Corporate Governance” section. Also see the section of this proxy statement entitled “Compensation Discussion and Analysis.”

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee (the “Nominating Committee”), which consisted of directors James J. Antal, Michael J. Bayer, and Jeff Kindler held three meetings in 2016. The Board of Directors has determined that each of the members of the Nominating Committee is “independent” within the meaning of the NASDAQ listing standards. The Nominating Committee is responsible for searching for and recommending to the Board of Directors potential nominees for director positions, making recommendations to the Board of Directors regarding the size and composition of the Board of Directors and its committees, monitoring the Board of Director’s effectiveness, and developing and implementing SIGA’s corporate governance procedures and policies. A copy of the Nominating Committee charter is available on SIGA’s website at www.siga.com under the “Corporate Governance” section.

In selecting candidates for the Board of Directors, the Nominating Committee begins by determining whether the incumbent directors, whose terms expire at the annual meeting of stockholders, desire and are qualified to continue their service on the Board of Directors. SIGA is of the view that the continuing service of qualified incumbents promotes stability and continuity of the Board of Directors, giving SIGA the benefit of familiarity and insight into SIGA’s affairs that its directors have accumulated during their tenure, while contributing to the Board of Director’s ability to work as a collective body. Accordingly, it is the policy of the Nominating Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Nominating Committee’s criteria for membership on the Board of Directors, whom the Nominating Committee believes will continue to make important contributions to the Board of Directors and who consent to stand for re-election and, if re-elected, to continue their service on the Board of Directors. If there are positions on the Board of Directors for which the Nominating Committee will not be re-nominating an incumbent director, or if there is a vacancy on the Board of Directors, the Nominating Committee will solicit recommendations for nominees from persons whom the Nominating Committee believes are likely to be familiar with qualified candidates, including members of the Board of Directors and management of SIGA. The Nominating Committee may also engage a professional search firm to assist in the identification of qualified candidates, but did not do so in 2016. As to each recommended candidate that the Nominating Committee believes merits serious consideration, the Nominating Committee will collect as much information including, without limitation, soliciting views from other directors and SIGA’s management and having one or more Nominating Committee members interview each such candidate, regarding each candidate as it deems necessary or appropriate in order to make an informed decision with respect to such candidate. The Nominating Committee considers the overall qualifications of prospective nominees for director, including the particular experience, expertise and outlook that they would bring to the Board of Directors. While diversity may contribute to this overall evaluation, it is not considered by the Nominating Committee as a separate or independent factor in identifying nominees for director. Based on all available information and relevant considerations, the Nominating Committee will select, for each directorship to be filled, a candidate who, in the view of the Nominating Committee, is most suited for membership on the Board of Directors.

The Nominating Committee has adopted a policy with regard to the minimum qualifications that must be met by a Nomination Committee-recommended nominee for a position on the Board of Directors. Pursuant to this policy, the Nominating Committee generally requires that all candidates for the Board of Directors be of high personal integrity and ethical character and not have any interest that would, in the view of the Nominating Committee, materially impair the candidate's ability to (i) exercise independent judgment or (ii) otherwise discharge the fiduciary duties owed as a director to SIGA and its stockholders. In addition, candidates must be able to represent fairly and equally all stockholders of SIGA without favoring or advancing any particular stockholder or other constituency of SIGA. Candidates must have demonstrated achievement in one or more fields of business, professional, governmental, communal, scientific or educational endeavor. Candidates are expected to have sound judgment and a general appreciation regarding major issues facing public companies of a size and operational scope similar to SIGA, including contemporary governance concerns, regulatory obligations of a public issuer, strategic business planning, competition in a global economy, and basic concepts of corporate finance. Candidates must also have, and be prepared to devote, adequate time to the Board of Directors and its committees. It is expected that, taking into account their other business and professional commitments, including their service on the boards of other companies, each candidate will be available to attend meetings of the Board of Directors and any committees on which the candidate will serve, as well as SIGA's annual meeting of stockholders. SIGA also requires that at least a majority of the directors serving at any time on the Board of Directors are independent, as defined under the rules of the NASDAQ stock market and that at least three of the directors satisfy the financial literacy requirements required for service on the Audit Committee under the rules of the NASDAQ stock market.

The Nominating Committee has adopted a policy, summarized in this paragraph, with regard to the consideration of director candidates recommended by stockholders. The Nominating Committee will consider recommendations for the nomination of directors submitted by holders of SIGA's shares entitled to vote generally in the election of directors. The Nominating Committee will give consideration to these recommendations for positions on the Board of Directors where the Nominating Committee has not determined to re-nominate a qualified incumbent director. While the Nominating Committee has not established a minimum number of shares that a stockholder must own in order to present a nominating recommendation for consideration, or a minimum length of time during which the stockholder must own its shares, the Nominating Committee may take into account the size and duration of a recommending stockholder's ownership interest in SIGA. The Nominating Committee may also consider whether the stockholder making the nominating recommendation intends to maintain an ownership interest in SIGA of substantially the same size as its interest at the time of making the recommendation. The Nominating Committee may refuse to consider recommendations of nominees who do not satisfy the minimum qualifications prescribed by the Nominating Committee for board candidates.

The Nominating Committee has adopted procedures to be followed by stockholders in submitting recommendations of candidates for directors. The procedures are set forth in SIGA's Bylaws and are posted on SIGA's website at www.siga.com under the "Corporate Governance" section. Pursuant to these procedures, a stockholder (or group of stockholders) wishing to submit a nominating recommendation for an annual meeting of stockholders should arrange to deliver it to SIGA no earlier than 120 calendar days and no later than 90 calendar days prior to the first anniversary of the date of the prior year's annual meeting of stockholders. All stockholder nominating recommendations should be in writing, addressed to the "Nominating and Corporate Governance Committee" in care of SIGA's Secretary at SIGA's principal headquarters, 660 Madison Avenue, Suite 1700, New York, New York 10065. Submissions should be made by mail, courier or personal delivery. A nominating recommendation should be accompanied by the following information concerning each recommending stockholder:

The name and address of the recommending stockholder as they appear on the Company's books;

The name and address of any other beneficial owner of the recommending stockholder's Company stock or any affiliate of the recommending stockholder or such beneficial owner (any such person, a "stockholder associated person");

As to each recommending stockholder and stockholder associated person: the number and class or series of SIGA's shares directly or indirectly held of record and beneficially by the recommending stockholder or stockholder associated person; the date such shares were acquired; a description of any agreement, arrangement or understanding, direct or indirect, with respect to such nomination between or among the recommending stockholder, any stockholder associated person or any others (including their names); a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into, directly or indirectly, as of the date of the recommending stockholder's notice by, or on behalf of, the recommending stockholder or any stockholder associated person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the recommending stockholder or any stockholder associated person with respect to shares of stock of SIGA; a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or

other relationship pursuant to which the recommending stockholder or any stockholder associated person has a right to vote any shares of stock of the Company;

a representation that the recommending stockholder is a holder of record of stock of the Company entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination;

all information regarding the proposed nominee and each stockholder associated person that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act, the written consent of such proposed nominee to being named in a proxy statement as a nominee and to serve if elected and a completed signed questionnaire, representation and agreement reasonably requested by the Company;

description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a recommending stockholder, any stockholder associated person or their respective associates, or others acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the recommending stockholder, any stockholder associated person or any person acting in concert therewith, were the “registrant” for purposes of such rule and the proposed nominee were a director or executive of such registrant;

a representation as to whether the recommending stockholder intends (a) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Company’s outstanding capital stock required to approve the nomination or (b) otherwise to solicit proxies from stockholders in support of such nomination;

all other information that would be required to be filed with the SEC if the recommending stockholder and any stockholder associated person were participants in a solicitation subject to Section 14 of the Exchange Act;

a representation that the recommending stockholder shall provide any other information reasonably requested by the Company; and

such other information as the Company may reasonably request.

Compensation Committee Interlocks and Insider Participation

None.

Code of Ethics

SIGA has adopted a Code of Ethics and Business Conduct that applies to its officers, directors and employees including, without limitation, our Chief Executive Officer, Executive Chairman of the Board, Executive Vice President & Chief Financial Officer, General Counsel and Chief Administrative Officer, and Vice President & Chief Scientific Officer. The Code of Ethics and Business Conduct is available, free of charge, on SIGA’s website at www.siga.com under the “Corporate Governance” section. In the event that there is any amendment to or waiver from any provision of the Code of Ethics and Business Conduct that requires disclosure under Item 5.05 of Form 8-K, SIGA intends to satisfy these disclosure requirements by posting such information on its website, as permitted by Item 5.05(c) of Form 8-K.

Stockholder Communications with the Board of Directors

SIGA stockholders may send communications to the Board of Directors, any committee of the Board of Directors or an individual director. The process for so communicating is posted on SIGA's website at www.siga.com under the "Corporate Governance" section.

Board Leadership Structure

SIGA recognizes that different Board leadership structures may be appropriate for SIGA during different periods of time and under different circumstances. SIGA believes that its current Board leadership structure is suitable for SIGA because it allows SIGA to consider a broad range of opinions in the course of its Board deliberations, including those with knowledge of SIGA's day-to-day operations and business strategy, as well as those with an experienced independent viewpoint.

The Board of Directors does not have a policy on whether or not the roles of Chief Executive Officer and Chairman of the Board should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from the non-employee Directors or be an employee. The Board of Directors believes that it should have the flexibility to make a determination from time to time in a manner that is in the best interests of SIGA and its shareholders at the time of such determination.

The Board of Directors believes that the Company's former Chief Executive Officer, Dr. Rose, is best situated to serve as Executive Chairman of the Board. Given Dr. Rose's extensive knowledge and experience, including his past experience as Chief Executive Officer of SIGA, SIGA believes his service as Executive Chairman provides significant value to SIGA and its shareholders. It is believed that separating the Executive Chairman role from the Chief Executive Officer role, and having both roles work in coordination with an informed and engaged Board, provides the appropriate balance between strategy development and independent oversight of management. The Board of Directors has no independent director permanently designated as a "Lead Director," although the independent directors designate a leader for that meeting each time that they go into executive session. The Board of Directors intends to review its leadership structure periodically and consider whether other structures might be appropriate.

The Board's Role in Risk Oversight

The Board of Directors has an active role, as a whole and at the committee level, in overseeing management of our risks. The Board of Directors regularly reviews information about our financial condition and operations, and the risks associated with each. The Board's Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The Audit Committee oversees management of financial reporting risks and considers the effects of systemic risks inherent in our business. The Nominating Committee manages risks associated with the independence of the Board of Directors, potential conflicts of interest and risks associated with other governance matters. Although each committee is responsible for evaluating certain risks and overseeing the management of those risks, the entire Board of Directors is regularly informed about them through committee reports.

REPORT OF THE AUDIT COMMITTEE

During the 2016 fiscal year, the Audit Committee, operating under its written charter, consisted solely of independent directors, as defined in Rule 5605(a)(2) of the NASDAQ Marketplace Rules. The Audit Committee assists the Board of Directors in monitoring the integrity of SIGA's financial statements, the independent registered public accounting firm's qualifications and independence, the performance of the independent registered public accounting firm, and SIGA's compliance with applicable legal and regulatory requirements. Management is responsible for SIGA's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of SIGA's financial statements in accordance with generally accepted auditing standards and for issuing a report on those financial statements. The Audit Committee monitors and oversees these processes.

In this context, the Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2016 with management and with PricewaterhouseCoopers LLP, SIGA's independent registered public accounting firm. The Audit Committee has discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the statement on Auditing Standards No. 1301, as adopted by the Public Company Accounting Oversight Board ("PCAOB"), which includes, among other items, matters related to the conduct of the audit of SIGA's annual financial statements.

The Audit Committee has also received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP the issue of its independence from SIGA.

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the year ended December 31, 2016 be included in SIGA's Annual Report on Form 10-K filing with the SEC. The Audit Committee has also recommended, subject to stockholder ratification, the selection of SIGA's independent registered public accounting firm for the year ending December 31, 2017.

Respectfully submitted by the Audit
Committee,
Paul G. Savas, Chairman
James J. Antal
Bruce Slovin

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee, comprised of independent directors, has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted by the Compensation Committee,
Joseph W. Marshall, Chairman
Paul G. Savas
Bruce Slovin

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Ownership of Common Stock

The following tables set forth certain information regarding the beneficial ownership of SIGA's voting securities as of March 31, 2017 of (i) each person known to SIGA to own beneficially more than 5% of the applicable class of voting securities, (ii) each director and director nominee of SIGA, (iii) each named executive officer ("Named Executive Officer") and (iv) all directors and executive officers of SIGA as a group. As of March 31, 2017, a total of 78,780,059 shares of Common Stock were outstanding. Each share of Common Stock is entitled to one vote on matters on which holders of Common Stock are eligible to vote. The column entitled "Percentage of Total Voting Stock Outstanding" shows the percentage of total voting stock beneficially owned by each listed party.

The number of shares beneficially owned is determined under rules promulgated by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under those rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of March 31, 2017, through the exercise or conversion of any stock option, convertible security, warrant or other right. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity.

Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percentage of Common Stock Outstanding	Percentage of Total Voting Stock Outstanding
MacAndrews & Forbes Incorporated (3) 35 East 62 nd Street New York, NY 10065	24,156,358	30.66%	30.66%
Nantahala Capital Management, LLC (4) 19 Old Kings Highway South, Suite 200 Darien, CT 06820	6,069,298	7.70%	7.70%
Jet Capital Investors, L.P. (5) 667 Madison Avenue, 9th Floor New York, NY 10021	5,046,891	6.41%	6.41%

James J. Antal

30952 Steeplechase Dr.	176,487	(6) *	*
San Juan Capistrano, CA 92675			

Michael J. Bayer

Dumbarton Strategies	149,500	(7) *	*
3130 Dumbarton Street, NW			
Washington, D.C. 20007			

Thomas E. Constance
Kramer Levin Naftalis & Frankel LLP

1177 Avenue of the Americas	313,500	(6) *	*
New York, NY 10036			

Jeffrey Kindler

Starboard Capital Partners LLC	107,339	(8) *	*
30 Jelliff Lane			
Southport, CT 06890			

Joseph W. Marshall III

Stevens & Lee	158,000	(7) *	*
1818 Market Street			
Philadelphia, PA 19103			

Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percentage of Common Stock Outstanding	Percentage of Total Voting Stock Outstanding
Paul G. Savas 35 East 62 nd Street New York, NY 10065	253,504	(6) *	*
Bruce Slovin 1 Eleven Associates LLC 111 East 61 st Street New York, NY 10065	324,167	(7) *	*
Andrew Stern Old North 402 Georgetown University 37 th and O St. NW Washington, D.C. 20057	112,865	(9) *	*
Eric A. Rose, M.D. Dennis E. Hrubby, Ph.D. Daniel J. Luckshire	1,298,361 507,750 385,354	(10) 1.64% (11) * (12) *	* * *
<i>All executive officers and directors as a group (eleven individuals)</i>	3,786,827	(13) 4.71%	4.71%

* less than 1%.

(1) Unless otherwise indicated the address of each beneficial owner identified is 660 Madison Avenue, Suite 1700, New York, New York 10065.

(2) Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated. For purposes of this table, a person or group of persons is deemed to have “beneficial ownership” of any shares as of

a given date which such person has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership of such person or persons, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

Based on the amended Schedule 13D filed with the SEC on November 18, 2016 by MacAndrews & Forbes Incorporated, reporting beneficial ownership. The underlying beneficial owners, MacAndrews & Forbes LLC and ST Holdings One LLC, are direct and indirect, respectively, wholly owned subsidiaries of MacAndrews & Forbes Incorporated (“M&F”), a holding company whose sole stockholder is Ronald O. Perelman.

Based on a Schedule 13G filed with the SEC on February 14, 2017 by Nantahala Capital Management, L.L.C. (4) reporting beneficial ownership. Beneficial ownership is comprised of 6,069,298 shares held by Nantahala Capital Management, LLC.

Based on an amended Schedule 13G filed with the SEC on February 14, 2017 by Jet Capital Investors L.P., (5) reporting beneficial ownership. Beneficial ownership includes 4,027,599 shares held by Jet Capital Master Fund, LP and 348,796 shares held by Jet Capital SRM Master Fund, LP.

(6) Includes 50,000 shares of Common Stock issuable upon exercise of options. Also includes 15,000 restricted stock units vesting on May 17, 2017.

(7) Includes 55,000 shares of Common Stock issuable upon exercise of options. Also includes 15,000 restricted stock units vesting on May 17, 2017.

(8) Includes 25,000 shares of Common Stock issuable upon exercise of options. Also includes 15,000 restricted stock units vesting on May 17, 2017.

(9) Includes 35,000 shares of Common Stock issuable upon exercise of options. Also includes 15,000 restricted stock units vesting on May 17, 2017.

(10) Includes 500,000 shares of Common Stock issuable upon exercise of options; and 100,233 shares of Common Stock issuable upon exercise of stock-settled stock appreciation rights.

(11) Includes 250,000 shares of Common Stock issuable upon exercise of options; and 91,339 shares of Common Stock issuable upon exercise of stock-settled stock appreciation rights. Does not include 10,808 shares of Common Stock issuable upon exercise of options owned by Dr. Hruby's spouse to which he disclaims beneficial ownership.

(12) Includes 120,000 shares of Common Stock issuable upon exercise of options; and 89,640 shares of Common Stock issuable upon exercise of stock-settled stock appreciation rights.

(13) See footnotes (6)-(12).

MANAGEMENT

Executive Officers

The following table sets forth certain information with respect to the executive officers of SIGA:

Name	Age	Position
Phillip L. Gomez, Ph.D.	50	Chief Executive Officer and Director (effective October 13, 2016)
Eric A. Rose, M.D.	66	Executive Chairman of the Board (Chief Executive Officer until October 13, 2016)
Daniel J. Luckshire	46	Executive Vice President, Chief Financial Officer and Secretary
Dennis E. Hruby, Ph.D.	65	Vice President and Chief Scientific Officer
Robin E. Abrams	53	General Counsel and Chief Administrative Officer (effective April 12, 2016)
William J. Haynes	59	Executive Vice President and General Counsel (resigned, effective January 5, 2016)

Daniel J. Luckshire has served as Executive Vice President and Chief Financial Officer since February 2011. Prior to joining SIGA, Mr. Luckshire was a strategic advisor and private investor for companies within specialized market segments. Between 1998 and 2008, Mr. Luckshire was an investment banker at Merrill Lynch & Co., where he held various positions of increasing responsibility. Prior to his employment with Merrill Lynch, Mr. Luckshire was a member of the management team that built USI Insurance Services into a national insurance brokerage and was a CPA at Price Waterhouse LLP. Mr. Luckshire has a Master of Business Administration degree in Finance and Strategic Management from The Wharton School of the University of Pennsylvania and a Bachelor of Science degree from Villanova University.

Dennis E. Hruby, Ph.D. has served as Vice President and Chief Scientific Officer since June 2000. From April 1, 1997 through June 2000, Dr. Hruby was our Vice President of Research. From January 1996 through March 1997, Dr. Hruby served as a senior scientific advisor to SIGA. Dr. Hruby is an Adjunct Courtesy Professor of Microbiology at Oregon State University, and from 1990 to 1993 was Director of the Molecular and Cellular Biology Program and Associate Director of the Center for Gene Research and Biotechnology. Dr. Hruby specializes in virology and cell biology research, and the use of viral and bacterial vectors to produce recombinant vaccines as well as antiviral development. He is a member of the American Society of Virology, the American Society for Microbiology and a fellow of the American Academy of Microbiology. Dr. Hruby received a Ph.D. in microbiology from the University of Colorado Medical Center and a B.S. in microbiology from Oregon State University.

Robin Abrams joined SIGA as General Counsel and Chief Administrative Officer in April 2016. Subsequently, in August 2016, Ms. Abrams was also appointed Executive Vice President and General Counsel for vTv Therapeutics. Prior to joining SIGA, Ms. Abrams had a fourteen-year tenure at Purdue Pharma L.P., where she served as Vice President and Associate General Counsel. While at Purdue, Ms. Abrams was Purdue's primary legal contact with

government entities including the Department of Justice, Drug Enforcement Administration and other federal, state and local authorities. Ms. Abrams also served as Purdue's liaison with congressional committees and caucuses that focused on issues related to Purdue's products, such as abuse and diversion of opioid pharmaceutical products. Ms. Abrams also oversaw Purdue's legal regulatory, employment, and government litigation groups. Prior to Purdue, Ms. Abrams served as an Assistant United States Attorney in the Southern District of New York and prior to that, Ms. Abrams clerked for then-Chief Judge Jack B. Weinstein, federal District Court, Eastern District of New York. Ms. Abrams earned her Juris Doctor degree from New York University School of Law, and her Bachelor of Arts degree from Cornell University.

William J. Haynes served as Executive Vice President and General Counsel from June 2012 until his resignation, effective January 5, 2016. Mr. Haynes has held a number of senior positions in the private sector and the U.S. Government, including Chief Corporate Counsel at Chevron Corporation (2008 to 2012), General Counsel of the Department of Defense (2001 to 2008), partner in the national law firm Jenner & Block (1993 to 1996 and 1999 to 2001), Vice President and Associate General Counsel of General Dynamics Corporation (1996 to 1999), and General Counsel of the Department of the Army (1989 to 1993). Mr. Haynes serves as a director of the United States Supreme Court Historical Society, a director of the Greater New York Councils of the Boy Scouts of America, and a member of the Veterans' Policy Oversight Committee of the American Legion. Mr. Haynes earned his Juris Doctor degree from Harvard Law School, and his Bachelor of Arts degree from Davidson College.

See Director Nominee Information for biographies of Dr. Gomez and Dr. Rose.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The Compensation Committee of the Board of Directors is responsible for reviewing and recommending to the Board of Directors the compensation of our Named Executive Officers, as well as our other key employees. In this regard, the Compensation Committee has the responsibility to establish a compensation policy for officers and key employees designed to (i) attract and retain the best possible executive talent; (ii) tie annual and long-term cash and stock incentives to achievement of measurable corporate and individual performance objectives; and (iii) provide competitive compensation to our officers and key employees to align executives' incentives with the creation of stockholder value.

As a general matter, the compensation policy for officers and key employees has historically included:

base salary, which is determined on an annual or semi-annual basis,

annual or other time-based cash incentive compensation, and

long-term incentive compensation in the form of equity participation awards.

This section discusses the principles underlying our executive compensation policies, our decisions to date and the principles that we expect to use in coming years.

On September 16, 2014, the Company filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), chapter 11 Case Number 14-12623 (SHL). In 2015, the Company operated its business as a "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code. On December 15, 2015, we filed a Plan of Reorganization with the Bankruptcy Court. Subsequent to the initial filing, amendments were filed to the Plan of Reorganization (as amended, the "POR"). The POR was confirmed by the Bankruptcy Court and became effective on April 12, 2016. The POR included new employment agreements for the Named Executive Officers who were employed by the Company as of the effective date of the POR. The compensation provided for in the new employment agreements is consistent with our overall compensation policies as expressed herein. With the implementation of the POR, the Company cumulatively paid \$217 million to PharmAthene, Inc. ("PharmAthene") in order to fully satisfy PharmAthene's litigation claim. Payments made to PharmAthene were funded by cash on hand and a combination of financing transactions (a term loan and related warrant issuance, and an equity rights offering). In its determinations, since 2014, the Compensation Committee has considered factors associated with SIGA's chapter

11 case, including activities related to the implementation of the POR and activities related to the satisfaction of the PharmAthene litigation claim. Additionally, with respect to the 2016 performance year, the Compensation Committee considered operational achievements, including the modification of the BARDA contract, and the combination of financing transactions which collectively resulted in the satisfaction of the PharmAthene claim.

Our Named Executive Officers

For 2016, our Named Executive Officers and their titles were:

Name	Title
Phillip L. Gomez, Ph.D.	Chief Executive Officer (effective October 13, 2016) and Director (appointed December 6, 2016)
Eric A. Rose, M.D.	Executive Chairman of the Board (Chief Executive Officer until October 13, 2016)
Daniel J. Luckshire	Executive Vice President, Chief Financial Officer and Secretary
Dennis E. Hruby, Ph.D.	Vice President and Chief Scientific Officer
Robin E. Abrams	General Counsel and Chief Administrative Officer (effective April 12, 2016)
William J. Haynes	Executive Vice President and General Counsel (resigned, effective January 5, 2016)

Our Executive Compensation Decision Process

Overview

Our Compensation Committee reviews and approves the corporate goals and objectives with respect to the compensation for the Company's executive officers, including the Chief Executive Officer. In its discretion, the Compensation Committee may establish cash or equity incentive programs and otherwise award cash bonuses or equity-based awards to executive officers and key employees. Annual incentive compensation to our executive officers is payable pursuant to contractual provisions with certain executives that provide eligibility to receive discretionary bonuses and equity-based awards at the sole discretion of the Board of Directors. The Board of Directors' decisions in such matters have been delegated from time to time to the Compensation Committee. In connection with its review of compensation matters for the Company's executive officers, the Compensation Committee considers the executive's performance, economic and business conditions affecting the Company, the financial condition of the Company and reviews information regarding the compensation of similarly situated executives at peer companies. Additionally, since 2014, Compensation Committee has considered factors associated with SIGA's chapter 11 case, including activities related to the implementation of the POR and activities related to the satisfaction of the PharmAthene litigation claim. Furthermore, in 2016, the Compensation Committee considered operational achievements, including the modification of the BARDA contract, and the combination of financing transactions (a term loan and related warrant issuance, and an equity rights offering) which collectively resulted in the satisfaction of the PharmAthene claim. The Compensation Committee either makes such awards or makes recommendations to the Board of Directors with respect to the amounts of such awards based on the foregoing criteria.

Role of Executive Officers in Setting Compensation Decisions

Regarding most compensation matters, the Chief Executive Officer has historically provided recommendations to the Compensation Committee relying on his personal experience with respect to evaluating the contribution of our other executive officers. Dr. Phillip L. Gomez, our current Chief Executive Officer, and Dr. Eric A. Rose, our Chief Executive Officer until October 2016 and our current Executive Chairman of the Board ("Executive Chairman"), were involved in compensation recommendations for 2016, with input from our Executive Vice President & Chief Financial Officer, Vice President & Chief Scientific Officer and General Counsel & Chief Administrative Officer, as it relates to the compensation of other key employees. The Compensation Committee considers, but retains the right to reject or modify, such recommendations. Although the Chief Executive Officer, or Executive Chairman, may attend a portion of the meetings of the Compensation Committee, neither he nor any other member of management may be present during executive sessions of the Compensation Committee. Moreover, the Chief Executive Officer, or Executive Chairman, may not be present when decisions with respect to their compensation are made.

Compensation Advisors

The Compensation Committee has the authority to retain compensation consultants to advise the Compensation Committee as it deems necessary to carry out its duties. In 2016, the Compensation Committee continued to use the services of Compensation Advisory Partners LLC, or CAP, as its independent executive compensation consultant in

accordance with its Committee Charter. The Compensation Committee uses analyses prepared by the consultant as part of its review of SIGA's executive compensation practices. The consultant reports directly to the Compensation Committee, and the Compensation Committee has the final authority to hire and terminate the consultant.

CAP attends meetings of the Compensation Committee, as requested, and is available to communicate with the committee chairman between meetings; however, the Compensation Committee makes all decisions regarding compensation matters that are discussed with CAP. At no time has the Compensation Committee directed CAP to perform services in any particular manner or using any particular methodology.

CAP does not provide any consulting advice to SIGA outside of the scope of employee and director compensation. During 2016, CAP evaluated total compensation of individual executives at key points in time and also evaluated transaction bonuses paid to executives.

Competitive Market Analysis and Benchmarking

In reviewing the compensation of the Chief Executive Officer and other executive officers, the Compensation Committee considers the compensation awarded to executives of similarly situated companies, the Company's performance, the respective individual's performance, compensation given to executives in past years, anticipated changes to future duties and other factors the Compensation Committee deems appropriate. The peer group for the Company is periodically updated in consultation with CAP. Setting of the peer group reflects a variety of factors, including: the industry specialization of potential peer companies, the number of commercial drug products in select geographic markets at potential peer companies, the historical market capitalization of SIGA relative to the market capitalization of potential peer companies, and the historical and expected gross and net cash inflows of SIGA relative to the actual and projected commercial revenue and EBIT of potential peer companies. This group of companies provides appropriate compensation benchmarks because of comparable quantitative and qualitative metrics and because these companies may compete with us for executives and other employees.

The group of companies within the peer group includes:

Acorda Therapeutics Inc.	Omeros Corporation
Aegerion Pharmaceuticals, Inc. **	Raptor Pharmaceuticals Corp **
Alimera Sciences, Inc.	Spectrum Pharmaceuticals, Inc.
Ariad Pharmaceuticals, Inc. **	Supernus Pharmaceuticals, Inc.
Corcept Therapeutics Incorporated	Vanda Pharmaceuticals, Inc.
Ironwood Pharmaceuticals, Inc.	Vivus, Inc. Xenoport, Inc. **

** These companies were acquired or merged in 2016.

Evaluations

The Compensation Committee evaluates, at least once a year, the performance of our executive officers and other key employees in light of goals and objectives established by the Committee. Based upon these evaluations, the Compensation Committee either adjusts the compensation of such personnel as appropriate or recommends to the full Board of Directors any adjustment for such personnel, including any change to base salary, bonus and incentive and equity compensation. In its evaluation of the Chief Executive Officer, the Compensation Committee considers overall management of the Company; progress in the performance of strategic, regulatory and commercial activities and the development of product candidates; and the establishment and maintenance of successful relationships with the Company's customers, potential customers, various funding and research partners, the Board of Directors, and shareholders. In its evaluation of the Executive Vice President & Chief Financial Officer, the Committee considers the Company's financial performance, the Chief Financial Officer's role in achieving our financial, strategic and operational goals; the Chief Financial Officer's contribution to the management of the Company; the Chief Financial Officer's relationship with shareholders and potential investors, the Chief Financial Officer's efforts with respect to

financial regulatory compliance (including compliance with any applicable listing rules, the securities laws and all related regulations), and the preparation of and compliance with the Company's budget. In its evaluation of the General Counsel, the Committee considers the strategic contribution to the Board of Directors and the management team; the achievement of legal objectives within budgetary requirements; the General Counsel's role in achieving our contractual, commercial and strategic goals; and addressing any legal issues as they arise. In its evaluation of the Company's Vice President & Chief Scientific Officer, the Committee considers achievement of program objectives within budgetary and timeline requirements; the Chief Scientific Officer's contribution to key business initiatives; relationships with regulators and current and possible future scientific partners; compliance with contract and grant requirements; and management of the Company's research and development facility located in Corvallis, Oregon. Additionally, for all executives since 2014, Compensation Committee has considered factors associated with SIGA's chapter 11 case, including activities related to the implementation of the POR and activities related to the satisfaction of the PharmAthene litigation claim. Furthermore, in 2016, the Compensation Committee considered operational achievements, including the modification of the BARDA contract, and the combination of financing transactions (a term loan and related warrant issuance, and an equity rights offering) which collectively resulted in the satisfaction of the PharmAthene claim.

Our Compensation Philosophy and Program Objectives

The overall objectives of the Company's compensation program are to attract and retain the best possible executive talent, to motivate such executives to achieve the goals inherent in the Company's business strategy, to maximize the link between executive and stockholder interests and to recognize individual contributions as well as overall business results. To achieve these objectives, the Company has developed an overall compensation strategy and specific compensation plans that tie a substantial portion of an executive's compensation to performance.

The Role of Shareholder Advisory Votes on Executive Compensation

The Company's shareholders are provided with an opportunity to cast an advisory vote every three years on the Company's executive compensation program. At the Company's annual meeting held in May 2014, a majority of the votes cast supported our advisory vote proposal on the Company's executive compensation program. The Compensation Committee will continue to consider the outcome of our past and future advisory vote proposals, including Proposal No.3 in this Proxy Statement, when making future compensation decisions for the Named Executive Officers.

Our Executive Compensation Program

Overview

The key elements of the Company's compensation program consist of fixed compensation in the form of base salary, and the discretion to award variable compensation in the forms of incentive cash compensation and equity awards. The Compensation Committee's policies with respect to each of these elements are discussed below. In addition, while the elements of compensation described below are considered separately, the Compensation Committee takes into account the full compensation package offered by the Company to the individual, including pension benefits, insurance and other benefits, as well as the programs described below. Due to the inability to determine how the Company's common stock would be impacted by the chapter 11 case and the implementation of the POR, the Company did not grant equity-based incentive compensation to executives in 2014 or 2015, and did not do so in 2016 until the PharmAthene litigation claim had been fully satisfied on November 16, 2016.

Base Salary

The compensation philosophy of the Company is to maintain executive base salary at a competitive level to enable the Company to attract and retain executives and key talent needed to accomplish the Company's goals. In determining the appropriate base salary levels and, to a lesser extent, other compensation elements, the Compensation Committee considers the scope of responsibility, prior experience and past accomplishments, and anticipated changes to future job responsibilities, as well as historical practices within the Company. Economic, legal and business conditions affecting the Company are also considered. The Compensation Committee also considers historical levels of salary paid by the Company as well as the provisions in the various executives' employment contracts with the Company, which contracts are more fully discussed elsewhere in this proxy statement.

Periodic adjustments in base salary may be merit-based with respect to individual performance or tied to the Company's financial condition or specified in executives' employment agreements or based on other competitive factors. The Compensation Committee takes into account the effect of any transaction outside of the ordinary course of business that has been consummated during the relevant year and, where appropriate, also considers non-financial performance measures. These include the Company's competitive position, scientific developments and improvements

in relations with employees and investors.

For Dr. Gomez, Dr. Rose, Mr. Luckshire, Ms. Abrams and Dr. Hruby, in 2016, we paid a base salary in accordance with their employment agreements. Base salary was reviewed by our Compensation Committee and, in accordance with employment agreements, Mr. Luckshire, Ms. Abrams and Dr. Hruby received a 3% salary increase in January of 2017. The size of the increase was consistent with the salary guidelines applicable to other employees. The base salary levels of these executives reflect our Compensation Committee's subjective judgment, which took into account each executive's respective position and tenure, our present needs, the general business environment, the executive's individual performance, achievements and prior contributions and anticipated performance levels.

Annual Incentive Compensation

The Compensation Committee, in its discretion, may establish cash incentive programs and otherwise award bonuses to executive officers and key employees. Annual incentive compensation to our executive officers is payable pursuant to contractual provisions with certain executives that provide eligibility to receive bonuses, in the sole discretion of the Board of Directors or Compensation Committee based on the executive's performance, economic and business conditions affecting the Company, and the financial condition of the Company. Starting in 2014, the Compensation Committee has also considered factors associated with SIGA's chapter 11 case, including activities related to the implementation of the POR and activities related to the satisfaction of the PharmAthene litigation claim. Furthermore, in 2016, the Compensation Committee considered the operational achievements and combination of financing transactions (a term loan and related warrant issuance, and an equity rights offering) that resulted in the satisfaction of the PharmAthene claim. The Compensation Committee approves or makes recommendations to the Board of Directors with respect to annual incentive compensation. Cash incentive payments approved by the Board of Directors, for executive officer performance in 2014 and 2015, were subject to Bankruptcy Court approval and were paid in 2016 following Bankruptcy Court confirmation of the POR and the POR becoming effective.

2016 Performance Year Bonus Program

For the 2016 performance year, the Board of Directors approved cash bonuses for executive officers based on the recommendation of the Compensation Committee. The Compensation Committee evaluated the performance of executive officers, and set cash bonus eligibility, based on the Company's achievement of pre-established formal goals. The performance goals that were set were objectively measurable; reflected progress in the performance of strategic, regulatory and commercial activities; represented activities that are believed to create enterprise value; and were heavily weighted toward activities important in the successful performance of the BARDA contract. The pre-established goals provided executives with an opportunity to earn a cash bonus that is equivalent to base salary ("Target Annual Cash Bonus").

A summary of the pre-established goals is as follows:

Deliver a threshold quantity of Tecovirmat courses to the Strategic National Stockpile; this goal constituted 30% weighting toward the Target Annual Cash Bonus.

Progress a threshold quantity of Tecovirimat drug material to key points of the supply chain, while maintaining manufacturing cost within historical ranges; these goals constituted 23% weighting toward the Target Annual Cash Bonus.

Meet key regulatory milestones related to human safety studies and animal efficacy studies; these goals constituted 30% weighting toward the Target Annual Cash Bonus.

Maintain operating expenses below a specified threshold; this goal constituted 17% weighting toward the Target Annual Cash Bonus.

For the 2016 performance year, all pre-established goals were met. As such, Dr. Rose, Mr. Luckshire, Ms. Abrams and Dr. Hruby were eligible for a cash bonus equivalent to their Target Annual Cash Bonus. Based on each individual's contribution to Company performance (as discussed below), the Compensation Committee recommended to the Board of Directors that each executive be paid a performance cash bonus equivalent to their Target Annual Cash Bonus, with Dr. Rose's Target Annual Cash Bonus being pro-rated for the time period that Dr. Rose was Chief Executive Officer of the Company during 2016.

For Dr. Rose, the Board of Directors approved a cash bonus of \$615,631 based on the recommendation of the Compensation Committee. In the Compensation Committee's evaluation of Dr. Rose's contribution to the Company's performance, the following was considered: the overall management of the Company; progress in the performance of strategic, regulatory and commercial activities and the development of product candidates; the establishment and maintenance of successful relationships with the Company's customers, potential customers, various funding and research partners, the Board of Directors and shareholders; and Dr. Rose's leadership with respect to the BARDA Contract.

For Mr. Luckshire, the Board of Directors approved a cash bonus of \$506,480 based on the recommendation of the Compensation Committee. In the Compensation Committee's evaluation of Mr. Luckshire's contribution to the Company's performance, the following was considered: Mr. Luckshire's role in achieving the Company's financial, strategic and operational goals; Mr. Luckshire's contribution to the management of the Company; Mr. Luckshire's relationships with shareholders and potential investors; Mr. Luckshire's efforts with respect to financial regulatory compliance (including compliance with any applicable listing rules, securities laws and all related regulations), and the preparation of and compliance with the Company's budget; and Mr. Luckshire's substantive role in managing the BARDA Contract.

For Ms. Abrams, the Board of Directors approved a cash bonus of \$490,000 based on the recommendation of the Compensation Committee. In the Compensation Committee's evaluation of Ms. Abrams' contribution to the Company's performance, the following was considered: Ms. Abrams' strategic contribution to the Board of Directors and the management team; the achievement of legal objectives within budgetary requirements; and Ms. Abrams' role in achieving our contractual, commercial and strategic goals.

For Dr. Hruby, the Board of Directors approved a cash bonus of \$562,755 based on the recommendation of the Compensation Committee. In the Compensation Committee's evaluation of Dr. Hruby's contribution to the Company's performance, the following was considered: Dr. Hruby's achievement of development program objectives within budgetary requirements; Dr. Hruby's contribution to key business initiatives; relationships with regulators and current and possible future scientific partners; compliance with grant requirements and management of the Company's research facility located in Corvallis, Oregon; and Dr. Hruby's substantial role in managing the BARDA Contract.

The cash bonuses for Dr. Rose, Mr. Luckshire, Ms. Abrams and Dr. Hruby were paid in March 2017.

Dr. Gomez, who joined the Company in October 2016 as the Chief Executive Officer, did not participate in the 2016 performance year bonus program. In connection with his employment agreement, Dr. Gomez is eligible to receive a guaranteed bonus of \$750,000 contingent upon continued employment as of the one-year anniversary (October 13, 2017).

We believe that our annual incentive bonus program can motivate and encourage our executives to fulfill or exceed our objectives and provide us with the opportunity to recognize superior individual performance.

Transaction Bonus Awards

In November 2016, Dr. Rose, Mr. Luckshire and Dr. Hruby were each paid a transaction bonus of \$450,000. These bonus payments were paid after the PharmAthene claim was fully satisfied and were made in recognition of each executive's contribution to the operational achievements and combination of financing transactions (a term loan and related warrant issuance, and an equity rights offering) that resulted in the satisfaction of the PharmAthene claim.

Long-Term Incentive Awards

The Compensation Committee believes that granting equity-based incentives can provide officers and employees with a strong economic interest in maximizing stock price appreciation over the long term. The Committee also believes that the practice of granting equity-based incentives can be useful in retaining and recruiting the key talent necessary to ensure the Company's continued success. This element of compensation is governed by the 2010 Plan which provides for grants of incentive stock options ("ISOs"); nonqualified stock options; stock appreciation rights ("SARs"); restricted stock units ("RSUs"); and shares of restricted and unrestricted stock to our executives, directors and employees. The 2010 Plan is administered by our Compensation Committee, which reviews management's recommendations concerning persons to be granted awards, and determines the number of and type of equity-based awards to be granted to each such person, and the terms and conditions of any grant as permitted under the 2010 Plan.

In determining the size of a share-based award to a Named Executive Officer, the Compensation Committee considers not only competitive market factors, changes in responsibility and the executive officer's performance, but also the number, term and vesting of stock-based awards previously granted to the officer. The Compensation Committee may also consider the total compensation package or changes made thereto, when determining whether to make a stock-based award. Additionally, starting in 2014, the Compensation Committee considered factors associated with SIGA's chapter 11 case, including activities related to the implementation of the POR and activities related to the satisfaction of the PharmAthene litigation claim. The number of shares granted to each Named Executive Officer is determined by the Compensation Committee based on its consideration of the Named Executive Officer's individual responsibilities and ability to significantly enhance key company initiatives. In connection with its review of compensation matters for the Company's executive officers, the Compensation Committee also reviews information regarding the overall compensation, including stock-based awards, of similarly situated executives at peer companies. The Compensation Committee makes recommendations to the Board of Directors with respect to such awards based on the foregoing facts.

Considering factors associated with SIGA's litigation with PharmAthene, including the impact of these factors on prior years compensation, equity-based incentive compensation was not recommended by the Compensation Committee for any executives other than Dr. Rose. In connection with Dr. Rose's transition from Chief Executive Officer to Executive Chairman of the Board, and as specified in Dr. Rose's employment agreement, the Compensation Committee recommended, and the Board approved, a grant of 300,000 RSUs to Dr. Rose. The RSUs were granted in November 2016.

Separately, the Compensation Committee also recommended, and the Board approved, a grant of RSUs valued at \$2.1 million to Dr. Gomez in connection with Dr. Gomez joining the Company as Chief Executive Officer, and as specified in Dr. Gomez's employment agreement. RSUs were granted to Dr. Gomez in November 2016.

Additional Benefits and Perquisites

Our officers and key employees are entitled to participate in the benefit plans which are generally available to all employees, including health, dental, life, and accidental disability. For each of these benefit plans, the Company makes contributions to the premiums paid to the plans. The Company also offers a 401(k) defined contribution plan, but it makes no contribution to the 401(k) plan. In each case, we provide these benefits to our executive officers on the same basis as our other employees.

Severance and Change of Control Agreements

We also provide some of our executive officers with severance and change of control arrangements in their employment contracts. We believe that severance and change of control packages are a common characteristic of compensation for key executive officers. They are intended to provide our executive officers with a sense of security in making the commitment to dedicate their professional careers to our success. Due to our size relative to other public companies and our operating history, we believe that severance and change of control arrangements are necessary to help us attract and retain necessary skilled and qualified executive officers to continue to grow our business.

Our Compensation Policies

Section 162(m) Policy

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation over \$1 million in any year paid to the Chief Executive Officer and the other Named Executive Officers (other than the Chief Financial Officer). The Compensation Committee takes into account the deductibility of compensation in determining Named Executive Officer compensation. However, the Compensation Committee retains its discretion to authorize compensation payments that do not qualify for the exemptions in Section 162(m) when the Compensation Committee believes that such payments are appropriate.

Common Stock Ownership Requirements

While we have not adopted a formal written policy on common stock ownership requirements, part of our compensation philosophy involves common stock ownership by our executive officers, because we believe that it helps to align their financial interests with those of our stockholders. We also recognize, on the other hand, that our

executive officers cannot acquire more than 10% of our common stock without triggering adverse tax consequences. In addition, we expect our executive officers to abide by the provisions of our Policy on Confidential Information and Insider Trading.

Timing of Awards

Our Compensation Committee has the authority to issue equity awards under our incentive plan. The Compensation Committee strives to ensure that any award is made in such a manner to avoid even the appearance of manipulation because of its award date

Financial Restatement

Although we have not adopted a formal written policy, it is our Board of Directors' informal policy that the Compensation Committee will, to the extent permitted by governing law, have the sole and absolute authority and discretion in consultation with the Board of Directors, to make retroactive adjustments to any cash or equity based incentive payments to executive officers where the payment was based upon the achievement of certain financial results that were subsequently the subject of a restatement, without regard to misconduct being involved. If the Compensation Committee chose to exercise this discretion, we would seek to recover any amount determined to have been improperly paid to the executive officer.

Summary Compensation Table

The following table sets forth the total compensation of the Company's Named Executive Officers for the last three fiscal years ended December 31, 2016:

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (1)	Stock Awards (\$) ⁽²⁾	Option Award (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Phillip L. Gomez, Ph.D. <i>Chief Executive Officer (effective October 13, 2016)</i>	2016	\$ 162,500		\$2,108,824 ⁽⁸⁾	—	—	—	\$2,271,324
Eric A. Rose, M.D. Executive Chairman of the Board (effective October 13, 2016) Chief Executive Officer (until October 13, 2016)	2016	778,386	1,442,516 ⁽³⁾	717,000 ⁽⁹⁾	—	—	—	2,937,902
	2015	764,909		—	—	—	—	764,909
	2014	743,130		670,000	—	—	—	1,413,130
Daniel J. Luckshire Executive Vice President & Chief Financial Officer	2016	506,480	1,178,304 ⁽⁴⁾	—	—	—	—	1,684,784
	2015	450,204		—	—	—	—	450,204
	2014	437,091		335,000	—	—	—	772,091
Dennis E. Hrubby, Ph.D. Vice President & Chief Scientific Officer	2016	562,755	1,414,571 ⁽⁵⁾	—	—	—	—	1,977,326
	2015	546,364		—	—	—	—	546,364
	2014	530,450		251,250	—	—	—	781,700
Robin A. Abrams <i>General Counsel and Chief Administrative Officer (effective April 12, 2016)</i>	2016	426,894	490,000 ⁽⁶⁾	—	—	—	—	916,894
William J. Haynes Executive Vice President & General Counsel (Resigned, effective January 5, 2016)	2016	5,588	242,283 ⁽⁷⁾	—	—	—	—	247,871
	2015	491,727		—	—	—	—	491,727
	2014	477,405		251,250	—	—	—	728,655

(1) Bonuses are shown in the year in which they were accrued and earned.

Stock options, stock appreciation rights and stock awards represent the aggregate grant date fair value calculated in accordance with the authoritative accounting literature. The awards granted in January 2014 relate to 2013 performance.

Includes the following: (i) a \$615,631 cash bonus for performance year 2016; (ii) a \$450,000 transaction bonus for the executive's contribution to operational achievements and the combination of financing transactions that resulted in the satisfaction of the PharmAthene claim; and (iii) bonus awards of \$191,227 and \$185,658 for performance years 2015 and 2014, respectively. With respect to the 2015 and 2014 performance year bonuses, these awards were subject to Bankruptcy Court approval until 2016. In 2016, after the Company emerged from chapter 11 and the POR became effective, these awards were no longer subject to Bankruptcy Court approval and the awards were paid.

Includes the following: (i) a \$506,480 cash bonus for performance year 2016; (ii) a \$450,000 transaction bonus for the executive's contribution to operational achievements and the combination of financing transactions that resulted in the satisfaction of the PharmAthene claim; and (iii) bonus awards of \$112,551 and \$109,273 for performance years 2015 and 2014, respectively. With respect to the 2015 and 2014 performance year bonuses, these awards were subject to Bankruptcy Court approval until 2016. In 2016, after the Company emerged from chapter 11 and the POR became effective, these awards were no longer subject to Bankruptcy Court approval and the awards were paid.

Includes the following: (i) a \$562,755 cash bonus for performance year 2016; (ii) a \$450,000 transaction bonus for the executive's contribution to operational achievements and the combination of financing transactions that resulted in the satisfaction of the PharmAthene claim; and (iii) bonus awards of \$136,591 and \$265,225 for performance years 2015 and 2014, respectively. With respect to the 2015 and 2014 performance year bonuses, these awards were subject to Bankruptcy Court approval until 2016. In 2016, after the Company emerged from chapter 11 and the POR became effective, these awards were no longer subject to Bankruptcy Court approval and the awards were paid.

(6) Represents a cash bonus for performance year 2016.

Represents bonus awards of \$122,932 and \$119,351 for performance years 2015 and 2014, respectively. With respect to the 2015 and 2014 performance year bonuses, these awards were subject to Bankruptcy Court approval until 2016. In 2016, after the Company emerged from chapter 11 and the POR became effective, these awards were no longer subject to Bankruptcy Court approval and the awards were paid.

(7) Represents aggregate grant date fair value of RSUs. Dr. Gomez was awarded 882,353 RSUs on November 22, 2016. The award was in accordance with Dr. Gomez's employment agreement. The RSUs are subject to a vesting schedule. For purposes of the presentation in this table, grant date fair value was calculated based on the share price for SIGA's common stock on the grant date.

(8) Represents aggregate grant date fair value of RSUs. Dr. Rose was awarded 300,000 RSUs on November 22, 2016. The award was in accordance with Dr. Rose's employment agreement. The RSUs are subject to a vesting schedule. For purposes of the presentation in this table, grant date fair value was calculated based on the share price for SIGA's common stock on the grant date.

Grants of Plan - Based Awards

Name	Grant Date	All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (1)
Phillip L. Gomez, Ph.D.	11/22/2016	882,353	—	—	\$2,108,824
Eric A. Rose	11/22/2016	300,000	—	—	717,000
Daniel J. Luckshire		—	—	—	—
Dennis E. Hruby		—	—	—	—
Robin A. Abrams		—	—	—	—

(1) Represents the grant date fair value of stock option awards, stock appreciation rights and stock awards granted in 2016 in accordance with the authoritative accounting literature and recognized for financial statement purposes.

2016 Equity Awards

All of the RSUs disclosed in the Grants of Plan-Based Awards table were issued under the 2010 Plan.

Employment Agreements

We currently have employment agreements with Dr. Gomez, Dr. Rose, Mr. Luckshire, Ms. Abrams and Dr. Hruby. Dr. Rose's employment agreement was amended and restated in October 2016 in connection with Dr. Rose's transition

from Chief Executive Officer to Executive Chairman of the Board.

Phillip L. Gomez – Chief Executive Officer

On October 13, 2016, we entered into an employment agreement with Dr. Phillip L. Gomez, our Chief Executive Officer. Pursuant to the employment agreement, we agreed to pay to Dr. Gomez an annual base salary of \$750,000, subject to an automatic increase of three percent (3%) above the amount of his base salary in effect at the end of the prior calendar year, beginning with January 1, 2018 and ending on the third (3rd) anniversary of the occurrence of a Change of Control. The Board of Directors may increase Dr. Gomez's base salary by additional discretionary amounts but any such additional discretionary amounts shall be disregarded when calculating the amount of any automatic increase in Dr. Gomez's base salary. Under the terms of this agreement, Dr. Gomez will receive a guaranteed cash bonus of \$750,000, provided that Dr. Gomez remains employed at the Company on the one-year anniversary of the employment agreement. Additionally, Dr. Gomez is also eligible to receive an annual cash bonus in 2018 and thereafter, as well as for the pro-rated period in 2017 subsequent to the one-year employment anniversary, the target of which is 100% of his base salary. In the event of a Change of Control of the Company, Dr. Gomez shall receive an annual cash bonus for the year in which the Change of Control occurs equal to the greater of (i) the target annual bonus for such year or (ii) the annual bonus determined based upon the applicable performance criteria and goals for such year, provided that Dr. Gomez remains employed on the last day of such calendar year. The term of his employment, pursuant to the employment agreement, expires at the end of the two (2) year anniversary from when the agreement becomes effective and will automatically renew for additional one (1) year periods unless notice of non-renewal is given; provided, however, that the agreement shall not automatically renew upon the expiration of any subsequent term that ends following the third (3rd) anniversary of the occurrence of a Change of Control.

Details with respect to our severance obligations to Dr. Gomez are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

Eric A. Rose – Executive Chairman of the Board

On January 31, 2007, we entered into an employment agreement with Eric A. Rose, M.D., pursuant to which he became our Chief Executive Officer, effective as of March 1, 2007. Pursuant to the employment agreement, Dr. Rose was paid an annual base salary of \$400,000. Moreover, Dr. Rose was eligible to receive a bonus payment (in either cash or stock options) as determined by the Board of Directors in its sole discretion. On January 13, 2012, Dr. Rose’s existing employment agreement was amended. Pursuant to the amended employment agreement, we agreed to pay to Dr. Rose an annual base salary of \$700,000, subject to any cost of living adjustments as may be approved by our Board of Directors. Under the terms of this employment agreement, Dr. Rose was also eligible to receive an annual cash bonus, the target of which was \$350,000, as determined by the Board of Directors in its sole discretion. On April 12, 2016, in connection with the effective date of the POR, Dr. Rose’s employment agreement was amended and restated. Pursuant to the amended and restated agreement, Dr. Rose’s base salary increased to \$787,856 and Dr. Rose became eligible for an annual cash bonus equivalent to 100% of base salary. On October 13, 2016, Dr. Rose employment agreement was further amended and restated in connection with Dr. Rose’s transition from Chief Executive Officer to Executive Chairman of the Board (“October 2016 Amended and Restated Rose Agreement”). Pursuant to the October 2016 Amended and Restated Rose Agreement, Dr. Rose’s base salary was adjusted to \$740,000. Additionally, Dr. Rose was issued 300,000 restricted stock units (“RSUs”) in November 2016, pursuant to the terms of the October 2016 Amended and Restated Agreement.

Pursuant to the October 2016 Amended and Restated Rose Agreement, we have agreed to pay to Dr. Rose an annual base salary of \$740,000 until October 13, 2017, and \$700,000 for the twelve month period thereafter. The Compensation Committee may increase Dr. Rose’s base salary by additional discretionary amounts. The October 2016 Amended and Restated Rose Agreement is scheduled to terminate on October 13, 2018. Under the terms of the October 2016 Amended and Restated Rose Agreement, Dr. Rose was eligible to receive an annual cash bonus for the 2016 performance year, subject to the discretion of the Board of Directors.

Details with respect to our severance obligations to Dr. Rose are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

Daniel J. Luckshire – Executive Vice President & Chief Financial Officer

On February 10, 2011, we entered into an employment agreement with Mr. Daniel J. Luckshire, our Executive Vice President & Chief Financial Officer. Pursuant to the employment agreement, we agreed to pay Mr. Luckshire: an annual base salary of \$400,000, subject to any cost of living or merit increases as may be approved by our Board of Directors, an annual cash bonus, the target of which was 50% of the base salary, as determined by the Compensation Committee in its sole discretion, and an annual stock bonus, the target of which was \$300,000 in restricted shares of Common Stock, as determined by the Compensation Committee in its sole discretion. .

Pursuant to the amended and restated employment agreement (the "Post-Plan Luckshire Agreement") that became effective on April 12, 2016 (the effective date of the POR), we agreed to pay to Mr. Luckshire an annual base salary of \$506,480, subject to an automatic increase of three percent (3%) above the amount of his base salary in effect at the end of the prior calendar year. On January 1, 2017, Mr. Luckshire's base salary was adjusted to \$521,674 pursuant to the automatic increase. The automatic increase terminates upon the third (3rd) anniversary of the occurrence of a Change of Control. The Compensation Committee may increase Mr. Luckshire's base salary by additional discretionary amounts but any such additional discretionary amounts shall be disregarded when calculating the amount of any automatic increase in Mr. Luckshire's base salary. Under the terms of the Post-Plan Luckshire Agreement, Mr. Luckshire is also eligible to receive an annual cash bonus, the target of which is 100% of his base salary. In the event of a Change of Control of the Company, Mr. Luckshire shall receive an annual cash bonus for the year in which the Change of Control occurs equal to the greater of (i) the target annual bonus for such year or (ii) the annual bonus determined based upon the applicable performance criteria and goals for such year, provided that Mr. Luckshire remains employed on the last day of such calendar year. The term of his employment, pursuant to the Post-Plan Luckshire Agreement, expires at the end of the two (2) year anniversary from when the agreement becomes effective and will automatically renew for additional one (1) year periods unless notice of non-renewal is given; provided, however, that the agreement shall not automatically renew upon the expiration of any subsequent term that ends following the third (3rd) anniversary of the occurrence of a Change of Control.

Details with respect to our severance obligations to Mr. Luckshire are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

Dennis E. Hruby – Vice President & Chief Scientific Officer

On January 22, 2007, we entered into an employment agreement with Dr. Dennis E. Hruby, our Vice President and Chief Scientific Officer, which agreement was most recently amended on December 21, 2011. Pursuant to this employment agreement, Dr. Hruby’s base salary was set at an annual amount of \$500,000, subject to any cost of living adjustments as may be approved by the Board of Directors, and an annual cash bonus, the target of which was \$250,000, as determined by the Board of Directors in its sole discretion.

In a prior period, Dr. Hruby was eligible for a one-time additional bonus equal to \$350,000 of which \$100,000 was paid in 2011. The remainder of the one-time bonus was to be paid upon the earlier of: (i) approval by FDA of a New Drug Application for Tecovirimat, also known as ST-246, for a smallpox or orthopox treatment indication consistent with the contract line items in the BARDA Contract; (ii) approval of a Marketing Authorization Application by the European Medicines Agency for Tecovirimat for a smallpox or orthopox treatment indication; or (iii) approval by FDA of an Emergency Use Authorization, or a similar designation such as a contingency Investigational New Drug (“IND”), that would permit use of ST-246 for the treatment of smallpox or another orthopox virus disease in case of a public health emergency. In late 2012, in advance of the first delivery of Tecovirimat, the Company obtained a contingency IND. The remaining \$250,000 portion of such one-time \$350,000 bonus was paid in 2013.

Pursuant to the amended and restated employment agreement (the “Post-Plan Hruby Agreement”) that became effective on April 12, 2016 (the effective date of the POR), we have agreed to pay to Dr. Hruby an annual base salary of \$562,755, subject to an automatic increase of three percent (3%) above the amount of his base salary in effect at the end of the prior calendar year. On January 1, 2017, Mr. Hruby’s base salary was adjusted to \$579,637 pursuant to the automatic increase. The automatic increase terminates upon the third (3rd) anniversary of the occurrence of a Change of Control. The Compensation Committee may increase Dr. Hruby’s base salary by additional discretionary amounts but any such additional discretionary amounts shall be disregarded when calculating the amount of any automatic increase in Dr. Hruby’s base salary. Under the terms of the Post-Plan Hruby Agreement, Dr. Hruby is also eligible to receive an annual cash bonus, the target of which is 100% of his base salary. In the event of a Change of Control of the Company, Dr. Hruby shall receive an annual cash bonus for the year in which the Change of Control occurs equal to the greater of (i) the target annual bonus for such year or (ii) the annual bonus determined based upon the applicable performance criteria and goals for such year, provided that Dr. Hruby remains employed on the last day of such calendar year. The term of his employment, pursuant to the Post-Plan Hruby Agreement, expires at the end of the two (2) year anniversary from when the agreement becomes effective and will automatically renew for additional one (1) year periods unless notice of non-renewal is given; provided, however, that the agreement shall not automatically renew upon the expiration of any subsequent term that ends following the third (3rd) anniversary of the occurrence of a Change of Control.

Details with respect to our severance obligations to Dr. Hruby are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

Robin Abrams – General Counsel & Chief Administrative Officer

Pursuant to the employment agreement that became effective on April 12, 2016, we have agreed to pay to Ms. Abrams an annual base salary of \$700,000, subject to an automatic increase of three percent (3%) above the amount of her base salary in effect at the end of the prior calendar year, beginning with January 1, 2017 and ending on the third (3rd) anniversary of the occurrence of a Change of Control. The Compensation Committee may increase Ms. Abrams’ base salary by additional discretionary amounts but any such additional discretionary amounts shall be disregarded when calculating the amount of any automatic increase in Ms. Abrams’ base salary. Under the terms of the employment agreement, Ms. Abrams is also eligible to receive an annual cash bonus, the target of which is 100% of her base salary.

On August 1, 2016, the existing agreement was amended and restated in connection with Ms. Abrams assuming the role of Executive Vice President and General Counsel at vTv Therapeutics, Inc. while continuing to serve in her existing roles at SIGA (the “Amended and Restated Abrams Agreement”). Pursuant to the Amended and Restated Abrams Agreement, we have agreed to pay to Ms. Abrams an annual base salary of \$490,000, subject to an automatic increase of three percent (3%) above the amount of her base salary in effect at the end of the prior calendar year, beginning with January 1, 2017 and ending on the third (3rd) anniversary of the occurrence of a Change of Control. On January 1, 2017, Ms. Abrams’ base salary was increased to 504,700. The Compensation Committee may increase Ms. Abrams’ base salary by additional discretionary amounts but any such additional discretionary amounts shall be disregarded when calculating the amount of any automatic increase in Ms. Abrams’ base salary. Under the terms of the employment agreement, Ms. Abrams is also eligible to receive an annual cash bonus, the target of which is 100% of her base salary.

In the event of a Change of Control of the Company, Ms. Abrams shall receive an annual cash bonus for the year in which the Change of Control occurs equal to the greater of (i) the target annual bonus for such year or (ii) the annual bonus determined based upon the applicable performance criteria and goals for such year, provided that Ms. Abrams remains employed on the last day of such calendar year. The term of her employment, pursuant to the employment agreement, expires at the end of the two (2) year anniversary from when the agreement becomes effective and will automatically renew for additional one (1) year periods unless notice of non-renewal is given; provided, however, that the agreement shall not automatically renew upon the expiration of any subsequent term that ends following the third (3rd) anniversary of the occurrence of a Change of Control.

Details with respect to our severance obligations to Ms. Abrams are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

William J. Haynes, Executive Vice President & General Counsel (resigned effective January 5, 2016)

On June 4, 2012, we entered into an employment agreement with Mr. William J. Haynes, our former Executive Vice President & General Counsel. Pursuant to the employment agreement, we agreed to pay Mr. Haynes: an annual base salary of \$450,000, subject to any cost of living or merit increases as may be approved by our Board of Directors, an annual cash bonus, the target of which was 50% of the base salary, as determined by the Compensation Committee in its sole discretion, and an annual equity bonus, the target value of which was 50% of the base salary, as determined by the Compensation Committee in its sole discretion.

On January 5, 2016 we entered into a separation agreement (the “Separation Agreement”) with Mr. Haynes in connection with his resignation as the Company’s Executive Vice President and General Counsel. The effectiveness of the Separation Agreement was conditioned upon the effectiveness of the POR.

Details with respect to our severance obligations to Mr. Haynes, including amounts payable under the Separation Agreement, are set forth below under the heading “Potential Payments upon Termination or Change of Control.”

Outstanding Equity Awards at Fiscal Year End

The following table provides certain summary information concerning unexercised options and equity incentive plan awards for each Named Executive Officer as of December 31, 2016:

Name	Option Awards			Equity Incentive Plan Awards:					Stock Awards			Equity Incentive Plan Awards
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#)	Unearned Options	Exercise Price (\$)	Option Date	Expiration Date	Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (#)	Number of Unearned Shares, Units or Options	Number of Rights That Have Not Vested	
Phillip L. Gomez, Ph.D.								882,353	(8)	\$2,541,177		
Eric A. Rose, M.D.	200,000	—	—		3.10	7/26/2017						
	300,000	—	100,000 (1)		2.49	11/14/2018						
	465,000	(2) —	—		3.53	2/2/2019						
							66,667	(7)	192,001	—		
							300,000	(8)	864,000	—		
Daniel J. Luckshire	60,000	—	—		11.04	2/10/2021						
	60,000	—	—		13.04	2/10/2021						
	132,000	(3) —	—		3.53	2/2/2019						
							33,334	(7)	96,002	—		
	200,000	—	100,000 (4)		3.10	7/26/2017						

Dennis E.
Hruby,
Ph.D.

50,000	—	—	4.70	3/5/2019			
337,500	(5) —	—	3.53	2/2/2019			
37,500	(6) —	—	3.53	2/2/2019			
					25,000	(7)	72,000 —
							—

Stock option awards were granted to the Named Executive Officer on November 14, 2008 and are eligible to vest (1) upon the Company's achievement of certain regulatory milestones. The performance conditions were not satisfied as of December 31, 2016.

Stock-settled stock appreciation rights were granted to the Named Executive Officer on February 2, 2012 and (2) vested one-third per year over a three-year term. The appreciation of this right is capped at \$4.50 and limits the potential shares that could be granted to 100,233 shares.

Stock-settled stock appreciation rights were granted to the Named Executive Officer on February 2, 2012 and (3) vested one-third per year over a three-year term. The appreciation of each right is capped at \$11.00 and limits the potential shares that could be granted to 89,640 shares.

Stock option awards were granted to the Named Executive Officer on July 26, 2007 and are eligible to vest upon (4) the Company's achievement of certain regulatory milestones. The performance conditions were not satisfied as of December 31, 2016.

Stock-settled stock appreciation rights were granted to the Named Executive Officer on February 2, 2012 and (5) vested one-third per year over a three-year term. The appreciation of each right is capped at \$4.50 and limits the potential shares that could be granted to 72,750 shares.

Stock-settled stock appreciation rights were granted to the Named Executive Officer on February 2, 2012 and (6) vested one-third per year over a three-year term. The appreciation of each right is capped at \$7.00 and limits the potential shares that could be granted to 18,589 shares.

(7) Stock awards were granted to the Named Executive Officers on January 3, 2014 and vest one-third per year over a three-year term.

(8) Stock awards were granted to the Named Executive Officers on November 22, 2016 and vest one-third per year over a three-year term.

(9) The market value reflects the closing price per share of the Company's common stock on the OTC Market on December 31, 2016.

Option Exercises and Stock Vested

The following table sets forth any exercises of stock options and the vesting of restricted stock units for each of the Named Executive Officers for the year ended December 31, 2016:

Name	Options Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) (1)
Eric A. Rose, M.D.	—	—	133,335	(2) \$417,339
Daniel J. Luckshire	—	—	66,668	(3) 208,671
William J. Haynes (Resigned, effective January 5, 2016)	—	—	50,000	33,500
Dennis E. Hruby, Ph.D.	—	—	50,000	(4) 156,500

(1) Amounts reflect the aggregate amount realized upon release of shares, based on the market price of the underlying shares on the release date.

(2) This amount does not reflect the net settlement to satisfy tax withholding obligations. The net number of shares issued to Dr. Rose was 64,866.

(3) This amount does not reflect the net settlement to satisfy tax withholding obligations. The net number of shares issued to Mr. Luckshire was 42,057.

(4) This amount does not reflect the net settlement to satisfy tax withholding obligations. The net number of shares issued to Dr. Hruby was 29,700.

Potential Payments upon Termination or Change of Control***Severance Arrangement for Phillip L. Gomez***

The following table and footnotes describe and quantify the potential payments to Dr. Gomez pursuant to his employment agreement upon termination, change of control or in the event that his contract is not renewed, assuming

that such termination, change of control or non-renewal was effective as of December 31, 2016:

	Termination by the Company without cause (or by the officer for good cause)	Termination upon death or disability	Termination by the Company due to a change in control
Aggregate cash payments (1)	\$ 1,500,000	\$ —	\$ 1,500,000
Value of accelerated stock-based grants (2)	2,541,177	—	2,541,177
Total	\$4,041,177	\$ —	\$4,041,177

(1) The amount includes a guaranteed bonus of \$750,000.

(2) The amount consists of unvested restricted stock units as of December 31, 2016.

Pursuant to the Dr. Gomez's employment agreement, the following termination and change of control-related circumstances would trigger payments or the provision of other benefits:

Termination by the Company without cause or by Dr. Gomez for good reason.

Termination by the Company without cause or by Dr. Gomez for good reason in the period that begins 90 days prior to the occurrence of a change of control and ends on the second anniversary of the occurrence of a change of control.

Termination by the Company for cause or by Dr. Gomez without good reason.

Termination by the Company based on Dr. Gomez's death or total disability.

If Dr. Gomez's employment agreement is terminated without cause or if Dr. Gomez terminates his employment for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for one (1) year; (vi) the payment of any accrued but unpaid guaranteed bonus and any accrued and unpaid annual bonuses with respect to the prior full calendar year; and (vii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants shall, immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If Dr. Gomez's employment agreement is terminated during the Change of Control Period other than for cause or if Dr. Gomez terminates his employment during the Change of Control Period for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for one (1) year; (vi) the payment of any accrued but unpaid guaranteed bonus and the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; (vii) a pro rata portion of the annual bonus for the year of termination; and (viii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants to Dr. Gomez shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If Dr. Gomez's employment is terminated by reason of death or total disability, by the Company for cause or if he voluntarily terminates his employment without good reason, he (or his estate and beneficiaries) will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination, in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; and (v) payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year as determined by the Compensation Committee in good faith and payable in cash in accordance with his employment agreement. In addition, if Dr. Gomez's employment is terminated due to death or total disability, then Dr. Gomez shall also be entitled to the payment of any accrued but unpaid guaranteed bonus.

Severance Arrangement for Eric A. Rose

The following table and footnotes describe and quantify the potential payments to Dr. Rose upon termination or change of control pursuant to the October 2016 Amended and Restated Rose Agreement, assuming that such termination or change of control was effective as of December 31, 2016:

	Termination by the Company without cause (or by the officer for good cause)	Termination upon death or disability	Termination by the Company due to a change in control
Aggregate cash payments	\$ 1,279,836	\$ —	\$ 1,279,836
Value of accelerated stock-based grants (1)	1,056,001	—	1,056,001
Total	\$ 2,335,837	\$ —	\$ 2,335,837

(1) The amount consists of unvested restricted stock units as of December 31, 2016.

Pursuant to the October 2016 Amended and Restated Rose Agreement, the following termination and change of control-related circumstances would trigger payments or the provision of other benefits:

Termination by the Company without cause or by Dr. Rose for good reason.

Termination by the Company for cause or by Dr. Rose without good reason.

Termination by the Company based on Dr. Rose's death or total disability.

If the October 2016 Amended and Restated Rose Agreement is terminated without cause or if Dr. Rose terminates his employment for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary until the scheduled termination date (October 13, 2018); and (vi) the Company shall take all such action as is necessary such that all stock options and other stock-based grants, shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If Dr. Rose's employment is terminated by reason of death or total disability, for cause or if he voluntarily terminates his employment without good reason, he (or his estate or beneficiaries) will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination, in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; and (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants.

Severance Arrangement for Daniel J. Luckshire

The following table and footnotes describe and quantify the potential payments to Mr. Luckshire pursuant to the Post-Plan Luckshire Agreement upon termination, change of control or in the event that his contract is not renewed, assuming that such termination, change of control or non-renewal was effective as of December 31, 2016:

	Termination by the Company without cause (or by the officer for good cause)	Termination upon death or disability	Termination by the Company due to a change in control
Aggregate cash payments	\$ 506,480	\$ —	\$ 506,480
Value of accelerated stock-based grants (1)	96,002	—	96,002
Total	\$ 602,482	\$ —	\$ 602,482

(1)The amount consists of unvested restricted stock units as of December 31, 2016.

Pursuant to the Post-Plan Luckshire Agreement, the following termination and change of control-related circumstances would trigger payments or the provision of other benefits:

Termination by the Company without cause or by Mr. Luckshire for good reason.

Termination by the Company without cause or by Mr. Luckshire for good reason in the period that begins 90 days prior to the occurrence of a change of control and ends on the second anniversary of the occurrence of a change of control.

Termination by the Company for cause or by Mr. Luckshire without good reason.

Termination by the Company based on Mr. Luckshire's death or total disability.

If the Post-Plan Luckshire Agreement is terminated or non-renewed without cause or if Mr. Luckshire terminates his employment for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for one (1) year; (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; and (vii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If the Post-Plan Luckshire Agreement is terminated during the Change of Control Period other than for cause or if Mr. Luckshire terminates his employment during the Change of Control Period for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for one (1) year; (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; (vii) a pro rata portion of the annual bonus for the year of termination; and (viii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants to Mr. Luckshire shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If Mr. Luckshire's employment is terminated by reason of death or total disability, by the Company for cause or if he voluntarily terminates his employment without good reason, he (or his estate and beneficiaries) will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination, in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; and (v) payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year as determined by the Compensation Committee in good faith and payable in cash in accordance with his employment agreement.

Severance Arrangement for Dennis E. Hruby

The following table and footnotes describe and quantify the potential payments to Dr. Hruby pursuant to the Post-Plan Hruby Agreement upon termination, change of control or in the event that his contract is not renewed, assuming that such termination, change of control or non-renewal was effective as of December 31, 2016:

	Termination by the Company without cause (or by the officer for good cause)	Termination upon death or disability	Termination by the Company due to a change in control
Aggregate cash payments	\$ 562,755	\$	— \$ 562,755
Value of accelerated stock-based grants (1)	72,000		— 72,000
Total	\$ 634,755	\$	— \$ 634,755

(1) The amount consists of unvested restricted stock units as of December 31, 2016.

Pursuant to the Post-Plan Hruby Agreement, the following termination and change of control-related circumstances would trigger payments or the provision of other benefits:

Termination by the Company without cause or by Dr. Hruby for good reason.

Termination by the Company without cause or by Dr. Hruby for good reason in the period that begins 90 days prior to the occurrence of a change of control and ends on the second anniversary of the occurrence of a change of control.

Termination by the Company for cause or by Dr. Hruby without good reason.

Termination by the Company based on Dr. Hruby's death or total disability.

If the Post-Plan Hruby Agreement is terminated or non-renewed without cause or if Dr. Hruby terminates his employment for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with

Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for two (2) years (except in the case of non-renewal, in which event such continued payment will be for one (1) year); (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; and (vii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If the Post-Plan Hruby Agreement is terminated during the Change of Control Period other than for cause or if Dr. Hruby terminates his employment during the Change of Control Period for good reason, he will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of his salary for two (2) years; (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; (vii) a pro rata portion of the annual bonus for the year of termination; and (viii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants to Dr. Hruby shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If the Dr. Hruby's employment is terminated by reason of death or total disability, for cause or if he voluntarily terminates his employment without good reason, he (or his estate or beneficiaries) will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination, in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with his employment agreement; (iv) any benefits to which he may be entitled upon termination pursuant to the plans, programs and grants referred to in his employment agreement in accordance with the terms of such plans, programs and grants; and (v) payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year as determined by the Compensation Committee in good faith and payable in cash in accordance with his employment agreement.

Severance Arrangement for Robin Abrams

The following table and footnotes describe and quantify the potential payments to Ms. Abrams pursuant to the Amended and Restated Abrams Agreement upon termination, change of control or in the event that her contract is not renewed, assuming that such termination, change of control or non-renewal was effective as of December 31, 2016:

	Termination by the Company without cause (or by the officer for good cause)	Termination upon death or disability	Termination by the Company due to a change in control
Aggregate cash payments	\$ 490,000	\$ —	\$ 490,000
Total	\$ 490,000	\$ —	\$ 490,000

Pursuant to the Amended and Restated Abrams Agreement, the following termination and change of control-related circumstances would trigger payments or the provision of other benefits:

Termination by the Company without cause or by Ms. Abrams for good reason.

Termination by the Company without cause or by Ms. Abrams for good reason in the period that begins 90 days prior to the occurrence of a change of control and ends on the second anniversary of the occurrence of a change of control.

Termination by the Company for cause or by Ms. Abrams without good reason.

Termination by the Company based on Ms. Abrams' death or total disability.

If the employment agreement is terminated or non-renewed without cause or if Ms. Abrams terminates her employment for good reason, she will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with her employment agreement; (iv) any benefits to which she may be entitled upon termination pursuant to the plans, programs and grants referred to in her employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of her salary for one (1) year; (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; and (vii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If the employment agreement is terminated during the Change of Control Period other than for cause or if Ms. Abrams terminates her employment during the Change of Control Period for good reason, she will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with her employment agreement; (iv) any benefits to which she may be entitled upon termination pursuant to the plans, programs and grants referred to in her employment agreement in accordance with the terms of such plans, programs and grants; (v) the continued payment of her salary for one (1) year; (vi) the payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year; (vii) a pro rata portion of the annual bonus for the year of termination; and (viii) the Company shall take all such action as is necessary such that all stock options and other stock-based grants to Ms. Abrams shall immediately and irrevocably vest and, to the extent applicable, become exercisable as of the date of termination and shall remain exercisable for a period of not less than one (1) year from the date of termination, or, if earlier, the expiration of the term of such equity award.

If Ms. Abrams' employment is terminated by reason of death or total disability, by the Company for cause or if she voluntarily terminates her employment without good reason, she (or her estate and beneficiaries) will be entitled to the following: (i) any accrued but unpaid salary for services rendered through the date of termination; (ii) any vacation accrued to the date of termination, in accordance with Company policy; (iii) any accrued but unpaid expenses through the date of termination required to be reimbursed in accordance with her employment agreement; (iv) any benefits to which she may be entitled upon termination pursuant to the plans, programs and grants referred to in her employment agreement in accordance with the terms of such plans, programs and grants; and (v) payment of any accrued but unpaid annual bonuses with respect to the prior full calendar year as determined by the Compensation Committee in good faith and payable in cash in accordance with her employment agreement.

Separation Arrangement for William J. Haynes

Under the Haynes Separation Agreement, which was subject to the effectiveness of the POR and Mr. Haynes' compliance with restrictive covenants contained in his employment agreement that was in effect prior to the Effective Date of the POR, the Company paid to Mr. Haynes the following bonus amounts after the Effective Date of the POR:

Mr. Haynes' annual bonus for the 2014 calendar year equal to \$119,351. In the event that in the future the Compensation Committee decides to restore 2014 bonus pay lost as a consequence of the Company's chapter 11 case, Mr. Haynes shall not be treated less favorably than other executives of the Company; and

Mr. Haynes' annual bonus for the 2015 calendar year equal to \$122,932, or 25% of Mr. Haynes' target bonus opportunity as discussed above under the heading "Annual Incentive Compensation". Pursuant to the Separation Agreement, Mr. Haynes was not treated less favorably than other executives of the Company with respect to determinations concerning the attainment of the applicable performance criteria and goals established by the

Compensation Committee and the payment of the 2015 calendar year bonus.

Other General Terms

Circumstances Triggering Payments

“Cause”, “good reason” and “change of control” are defined in Dr. Gomez, Dr. Rose, Mr. Luckshire, Dr. Hraby and Ms. Abrams’s current employment agreements as follows:

“Cause” generally includes:

executive officer’s neglect or failure or refusal to perform his duties under the applicable employment agreement (other than as a result of total or partial incapacity due to physical or mental illness);

any act by or omission of executive officer constituting gross negligence or willful misconduct in connection with the performance of his duties that could reasonably be expected to materially injure the reputation, business or business relationships of the Company or any of its affiliates;

perpetration of an intentional and knowing fraud against or affecting the Company or any of its affiliates or any customer, client, agent, or employee thereof;

the commission by or indictment of executive officer for (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud (“indictment”, for these purposes, meaning a United States-based indictment, probable cause hearing or any other procedure pursuant to which an initial determination of probable or reasonable cause with respect to such offense is made);

the breach of a covenant set forth in the applicable employment agreement; or

any other material breach of the applicable employment agreement.

“Good reason” generally includes:

the Company failing to pay executive officer his base salary;

executive officer no longer holding his agreed upon office or offices of equivalent stature, or his functions and/or duties being materially diminished; or

executive officer’s job site being involuntarily relocated to a location which is more than fifty (50) miles from the agreed upon location.

A “Change of Control” is (or would have been) deemed to occur:

upon the consummation of a transaction or a series of related transactions pursuant to which any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), other than executive officer, his designee(s) or “affiliate(s)” (as defined in Rule 12b-2 under the Exchange Act), is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing forty percent (40%) or more of the combined voting power of the Company’s then outstanding securities;

upon stockholders of the Company approving a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than eighty percent (80%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

upon the stockholders of the Company approving a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of, or the Company sells or disposes of, all or substantially all of the Company's assets.

if, subsequent to the Plan Covenant Termination Date (as defined in the POR), the following individuals cease for any reason to constitute a majority of the number of directors then serving on the Board of Directors: individuals who, on the day immediately preceding the Effective Date of the POR, constitute the Board of Directors and any new director whose appointment or election by the Board of Directors or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the day immediately preceding the Effective Date of the POR or whose appointment, election or nomination for election was previously so approved or recommended, but excluding (i) any director whose initial assumption of office is in connection with an actual or threatened election contest (including, but not limited to, a consent or proxy solicitation, relating to the election of directors of the Company by or on behalf of a person other than the Board of Directors) and (ii) any director whose initial assumption of office is in connection with the POR;

if the PharmAthene Award had been satisfied under the POR by delivery to PharmAthene of one hundred percent (100%) of the Company's equity; or

if the Board of Directors had been reconstituted, due to an event of default under the POR, such that it consists of a majority of directors designated by PharmAthene.

Non-Competition Provisions

Pursuant to the current employment agreements for Dr. Gomez, Dr. Rose, Mr. Luckshire, Dr. Hruby and Ms. Abrams, during the respective terms thereof plus an additional twelve (12) months thereafter for Dr. Gomez, Dr. Rose and Mr. Luckshire, an additional twenty-four (24) months thereafter for Dr. Hruby, and an additional six (6) months thereafter for Ms. Abrams, all of Dr. Gomez, Dr. Rose, Mr. Luckshire, Dr. Hruby and Ms. Abrams have agreed not to engage in any competitive business with us, induce our employees to terminate their employment or solicit our customers. We have agreed to indemnify each of them under their respective employment agreements for liabilities incurred because of their employment and to provide each of them with the full protection of any directors' and officers' liability insurance policies maintained generally for the benefit of our officers.

Equity Compensation Plan Information

The following table sets forth certain compensation plan information with respect to both equity compensation plans approved by security holders and equity compensation plans not approved by security holders as of December 31, 2016:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, Rights and Restricted Stock Units (1)	Weighted-average Exercise Price of Outstanding Options, Warrants, Rights and Restricted Stock Units	Number of Securities Available for Future Issuance under Equity Compensation Plans (2)
Equity compensation plans approved by security holders	3,525,686	\$ 3.64	546,644
Equity compensation plans not approved by security holders	—		—
Total	3,525,686		546,644

(1) Consists of the 1996 Incentive and Non-Qualified Stock Option Plan, as amended and restated, and the 2010 Stock Incentive Plan, as amended from time to time.

(2) Consists of the 2010 Stock Incentive Plan, as amended from time to time.

As of December 31, 2016, there were no outstanding options, appreciation rights or restricted stock units that had been awarded outside of the Company's equity compensation plan.

Director Compensation

During the fiscal year ending December 31, 2016, the directors of SIGA received total compensation as shown in the following table:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (5)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
James J. Antal (1,2)	64,991 (7)	11,400	—	—	—	—	76,391
Michael J. Bayer (2)	70,374 (8)	11,400	—	—	—	—	81,774
Thomas E. Constance	49,981 (9)	11,400	—	—	—	—	61,381
Phillip L. Gomez, Ph.D. (6)	—	—	—	—	—	—	—
Jeffrey B. Kindler (2)	50,481 (10)	11,400	—	—	—	—	61,881
Joseph W. Marshall, III (3)	94,226 (11)	11,400	—	—	—	—	105,626
Eric A. Rose, M.D. (4)	—	—	—	—	—	—	—
Paul G. Savas (1,3)	79,768 (12)	11,400	—	—	—	—	91,168
Bruce Slovin (1,3)	60,481 (13)	11,400	—	—	—	—	71,881
Andrew Stern	51,481 (14)	11,400	—	—	—	—	62,881

(1) Member of the Audit Committee.

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

(3) Member of the Compensation Committee.

(4) Executive Chairman of the Board of Directors; refer to Summary Compensation Table for applicable details.

(5) Represents the grant date fair value of the award in accordance with the authoritative accounting literature.

(6) Chief Executive Officer; refer to Summary Compensation Table for applicable details.

Includes \$12,491 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (7) September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$12,874 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (8) September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

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Includes \$6,981 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (9)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$6,981 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (10)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$36,226 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (11)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$10,268 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (12)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$6,981 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (13)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Includes \$6,981 of fees relating to the period prior to the commencement of the Company's chapter 11 case on (14)September 16, 2014. Such amount was paid in 2016 subsequent to the Company's emergence from chapter 11 on April 12, 2016.

Director Fees and Equity Compensation

During 2011, the Compensation Committee of the Board of Directors conducted a review of Board compensation. CAP prepared a competitive analysis and review of the cash and equity compensation for independent directors. Following this review, the Compensation Committee recommended to the Board of Directors an independent director compensation structure which the Board approved effective January 1, 2012. The compensation structure for non-employee directors is outlined below:

An annual retainer of \$25,000 for members, with such payments to be made quarterly, in arrears;

Board meeting fees of \$1,500 per board meeting;

An annual retainer of \$15,000 for service as the Audit Committee Chairman, with such payments to be made quarterly, in arrears;

An annual retainer of \$10,000 for service as the Compensation Committee Chairman and the Nominating Committee Chairman, with such payments to be made quarterly, in arrears;

Committee meeting fees of \$1,000 per committee meeting;

An award of 15,000 RSUs to be granted on the date of the Annual Meeting with vesting on the first anniversary of such grant; and

An award of 25,000 stock options upon a director's initial appointment to the Board of Directors vesting upon the date of such grant.

TRANSACTIONS WITH RELATED PERSONS

Review, Approval or Ratification of Transactions with Related Persons

The Company's policies and procedures for reviewing, approving, and ratifying transactions with related persons are set forth in a written policy.

Under these procedures, management recommends to the Audit Committee related party transactions to be entered into by the Company, including the proposed aggregate value of such transactions, if applicable. After review, the Audit Committee either approves or disapproves such transactions. Management can preliminarily enter into related party transactions that are subject to ratification by the Audit Committee; provided that, if ratification shall not be forthcoming, management shall make all reasonable efforts to cancel or annul such transactions.

In addition, with respect to any related party transaction that includes a compensation component, management will submit the terms of such proposed compensation (or any subsequent material changes to such compensation) to the Compensation Committee for its review. After its review, the Compensation Committee either approves or disapproves the compensation component of the related party transaction and informs management and the Audit Committee of such approval or disapproval.

Transactions with Related Persons

Based on information provided by the directors and the executive officers, the Audit Committee determined that there were no related person transactions to be reported in this proxy statement other than:

Kramer Levin Naftalis & Frankel LLP, the Company's outside legal counsel, billed the Company for legal services provided to the Company. One of our directors, Thomas Constance, is a partner at Kramer Levin Naftalis & Frankel LLP.

In October 2016, in connection with an equity rights offering ("Rights Offering"), the Company entered into an investment agreement or "backstop agreement," with M&F, and other backstop parties (the "Backstop Parties"). Under the term of the backstop agreement, the Backstop Parties agreed to purchase, pursuant to a separate private placement, a number of shares of common stock equal to the numbers of shares that would have not been subscribed for in the Rights Offering. Under the backstop agreement, the subscription price was set to be equal to the subscription price applicable to all shareholders under the Rights Offering. The Rights Offering was fully subscribed, the Backstop Parties were not required to draw on such commitment. When shares were issued to the backstop parties in payment of the backstop fee, the stock price of SIGA common stock was \$2.49 per share (the closing price of the Company's common stock on November 16, 2016).

In October 2012, the Company funded a letter of credit and deposit to take advantage of a lease for office space secured by an affiliate of M&F from a third party landlord on behalf of the Company. Pursuant to such letter of credit, in January 2013 the Company entered into a sublease in which the Company will pay all costs associated with the lease, including rent. All payments made by the Company pursuant to the sublease will either be directly or indirectly made to the third-party landlord and not retained by M&F or any affiliate. The Company's occupancy of the space commenced April 1, 2013. The sublease allowed for a free rent period of five months; subsequent to the free rent period, monthly rent payments are \$60,000 for the first five years and \$63,000 for the next two years. Upon expiration on September 1, 2020, the sublease and lease provides for two consecutive five year renewal options.

FEES BILLED BY PRICEWATERHOUSECOOPERS, LLP

The following table presents fees billed for professional audit services rendered by PricewaterhouseCoopers, LLP.

	Year ended	
	December 31,	
	2016	2015
Audit Fees	\$867,912	\$697,000
Audit Related Fees	45,000	45,000
All Other Fees	3,000	3,000
Total Fees	\$915,912	\$745,000

Audit Fees. Consists of fees billed for professional services rendered and expenses incurred for the integrated audit of SIGA's annual financial statements and of its internal control over financial reporting, reviews of the interim financial statements included in quarterly reports and for services normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings or engagements.

Audit Related Fees. Consists of fees billed that are related to the performance of the audit or review of SIGA's financial statements and are not reported under "Audit Fees." These services are mainly related to the audit of our federal expenditures.

All Other Fees. Consists of fees billed for products and services other than the services reported above. These products included accounting research software.

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

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services, and other services.

SIGA did not make use in fiscal year 2016 of the rule that waives pre-approval requirements for non-audit services in certain cases if the fees for these services constitute less than 5% of the total fees paid to the auditor during the year.

PROPOSALS TO BE VOTED ON AT THE MEETING

PROPOSAL 1: ELECTION OF DIRECTORS

Nine directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders and until their successors have been duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR the election of the nine persons named in the table below as directors of SIGA. Proxies cannot be voted for a greater number of persons than the nominees named. In the event that any of the below listed nominees for director should become unavailable for election for any presently unforeseen reason, the persons named in the accompanying proxy form have the right to use their discretion to vote for a substitute. For additional information about the nominees and their qualifications, please see “*Our Director Nominees.*”

The Board of Directors recommends that the stockholders vote “FOR” the election to the Board of each of the following nominees (Item 1 of the enclosed proxy card):

Name	<u>Director</u>		Position
	Age	<u>Since</u>	
Eric A. Rose, M.D.	66	2001	Executive Chairman of the Board
James J. Antal*	66	2004	Director
Michael J. Bayer*	69	2008	Director
Thomas E. Constance*	80	2001	Director
Phillip L. Gomez, Ph.D.	50	2016	Director and Chief Executive Officer
Jeffrey B. Kindler*	61	2013	Director
Joseph W. Marshall, III*	64	2009	Director
Paul G. Savas*	54	2004	Director
Michael C. Plansky*	67	—	Director

* Determined by the Board of Directors to be independent pursuant to Rule 5605 of the NASDAQ Marketplace Rules.

PROPOSAL 2: APPROVAL OF AN AMENDMENT AND RESTATEMENT OF THE 2010 STOCK INCENTIVE PLAN TO INCREASE THE MAXIMUM NUMBER OF SHARES OF COMMON STOCK AVAILABLE FOR ISSUANCE WITH THE PLAN FROM 4,500,000 SHARES TO 8,500,000 SHARES AND TO PROMOTE TAX EFFICIENCY FOR CERTAIN TYPES OF PERFORMANCE-BASED COMPENSATION

Background and Reasons for Amendment and Restatement

The Board of Directors adopted the 2010 Plan as a flexible vehicle through which the Company could offer equity-based compensation incentives to eligible personnel of the Company and its subsidiaries in order to attract, motivate, reward and retain such personnel and to further align the interests of such personnel with those of the stockholders of the Company. The 2010 Plan initially provided for the issuance of stock options, restricted stock and unrestricted stock, and subsequently was amended to also permit the issuance of restricted stock units (“RSUs”).

The 2010 Plan, as initially adopted and approved by the Company’s stockholders, provided for the issuance of an aggregate of 2,000,000 shares of Common Stock. This was increased to 4,500,00 shares by an amendment to the Plan adopted by the Board of Directors on April 26, 2012 and approved by the Company’s stockholders on May 23, 2012.

As of the date hereof, 612,532 shares remain available for issuance under the 2010 Plan. On April 18, 2017, the Board of Directors approved an amendment to the 2010 Plan to authorize an additional 4,000,000 shares for issuance under the 2010 Plan, subject to approval by SIGA's stockholders by means of this Proposal No. 2. This amendment would increase the maximum number of shares of Common Stock available for issuance under the 2010 Plan from 4,500,000 shares to 8,500,000 shares, of which 4,612,532 shares would remain available for issuance, after taking into account previous awards issued under the 2010 Plan.

The Board of Directors believes that increasing the maximum number of shares of Common Stock available for issuance under the Plan from 4,500,000 shares to 8,500,000 shares is in the best interests of SIGA and its stockholders. The proposed amendment to the Plan reflects the Board of Directors' determination that ensuring the continued availability of a sufficient number of shares available for grant under the Plan, including in the event that the Compensation Committee and/or the Board of Directors determines that grants in the form of equity rather than cash are in SIGA's best interests, is important to SIGA's ongoing efforts to attract, retain and incentivize key personnel.

In addition to the above-mentioned amendment, the Board of Directors has approved, and determined to recommend to shareholders, an amendment of certain sections of the 2010 Plan that could enhance tax efficiency for certain types of potential performance-based compensation. Specifically, Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) limits the deductibility of compensation over \$1 million in any year paid to the Chief Executive Officer and the other Named Executive Officers (other than the Chief Financial Officer). As described more fully below under “Performance Goals” and “Summary of Federal Tax Consequences – \$1 Million Limit,” there is an exemption from this rule for certain “performance-based compensation.” The amendment and restatement approved by the Board of Directors and proposed herein includes an amendment that would enable awards of restricted stock and RSUs under the 2010 Plan to qualify as performance-based compensation, so as to preserve the Company’s tax deduction relating to such awards. This proposed amendment reflects the Board of Directors’ belief that determinations of the mix of equity awards to be utilized as incentive compensation should not be constrained by the unavailability of such tax deduction.

The 2010 Plan, as it may be further amended if the resolution of the Board of Directors is approved by the stockholders, shall be referred to in this section of the Proxy as the “Plan.” The following description of the Plan is qualified in its entirety by reference to the full text of the Plan, which is set forth in Annex A to this proxy statement.

General Description of the Plan

Awards. The Plan authorizes the grants of non-qualified stock options (“NQOs”), incentive stock options (“ISOs”), stock appreciation rights (“SARs”), RSUs, shares of restricted stock and shares of unrestricted stock (collectively, NQOs, ISOs, SARs, RSUs, restricted stock and unrestricted stock are referred to as “Awards”). Under the Plan, the Company may deliver authorized but unissued shares of Common Stock, treasury shares of Common Stock, and shares of Common Stock acquired by the Company for the purposes of the Plan.