

Dermira, Inc.  
Form DEF 14A  
April 29, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**DERMIRA, INC.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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April 29, 2015

To our stockholders:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Dermira, Inc. The meeting will be held at our headquarters located at 275 Middlefield Road, Suite 150, Menlo Park, California 94025 on Thursday, June 11, 2015 at 10:00 a.m. Pacific Time.

The matters expected to be acted upon at the meeting are described in the accompanying Notice of Annual Meeting of Stockholders and proxy statement. The Annual Meeting materials include the notice, proxy statement, our annual report and proxy card, each of which is enclosed.

Your vote is important. Whether or not you plan to attend the meeting, please cast your vote as soon as possible by Internet, telephone or by completing and returning the enclosed proxy card in the postage-prepaid envelope to ensure that your shares will be represented. Your vote by written proxy will ensure your representation at the Annual Meeting regardless of whether or not you attend in person. Returning the proxy does not deprive you of your right to attend the meeting and to vote your shares in person.

Sincerely,

Thomas G. Wiggins  
*Chief Executive Officer and Chairman of the Board*

**YOUR VOTE IS IMPORTANT**

**All stockholders are cordially invited to attend the meeting in person. Whether or not you plan to attend the meeting, you may submit your proxy and voting instructions via the Internet or by telephone, or, if you receive a paper proxy card and voting instructions by mail, you may vote your shares by completing, signing and dating the proxy card as promptly as possible and returning it in the enclosed envelope (to which no postage need be affixed if mailed in the United States). Even if you have given your proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain from the record holder a proxy issued in your name. You may revoke a previously delivered proxy at any time prior to the meeting. You may do so automatically by voting in person at the meeting, or by delivering to Dermira a written notice of revocation or a duly executed proxy bearing a date later than the date of the proxy being revoked.**

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**DERMIRA, INC.**  
**275 Middlefield Road, Suite 150**  
**Menlo Park, California 94025**

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

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April 29, 2015

- Time and Date:** Thursday, June 11, 2015 at 10:00 a.m. Pacific Time
- Place:** Our headquarters located at 275 Middlefield Road, Suite 150, Menlo Park, California 94025
- Items of Business:**
1. Elect three Class I directors of Dermira, Inc., each to serve a three-year term expiring at the 2018 annual meeting of stockholders and until such director's successor is duly elected and qualified, or until his or her earlier resignation or removal.
  2. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.
  3. Re-approve the Internal Revenue Code Section 162(m) limits of our 2014 Equity Incentive Plan to preserve our ability to receive corporate income tax deductions that may become available pursuant to Section 162(m).
  4. Transact any other business as may properly come before the meeting or any adjournment or postponement of the annual meeting.
- Record Date:** Only stockholders of record at the close of business on April 13, 2015 are entitled to notice of, and to vote at, the meeting and any adjournments thereof.
- Proxy Voting:** Each share of stock that you own represents one vote. For questions regarding your stock ownership, you may contact the Investor Relations Department by phone at (650) 421-7200 or by email at [investors@dermira.com](mailto:investors@dermira.com) or, if you are a registered holder, our transfer agent, American Stock Transfer & Trust Company, LLC, through its website at [www.amstock.com](http://www.amstock.com) or by phone at (800) 937-5449.

This notice of the annual meeting, proxy statement and form of proxy are being distributed and made available on or about April 29, 2015.

**Important Notice Regarding the Availability of Proxy materials for the Stockholder Meeting to be held on Thursday, June 11, 2015: our proxy statement and annual report on Form 10-K are available at <http://www.astproxyportal.com/ast/19681/>.**

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**Whether or not you plan to attend the annual meeting, we encourage you to vote and submit your proxy through the Internet or by telephone or request and submit your proxy card as soon as possible, so that your shares may be represented at the meeting.**

By Order of the Board of Directors,

Thomas G. Wiggins  
*Chief Executive Officer and Chairman of the Board*

Menlo Park, California  
April 29, 2015

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**DERMIRA, INC.**

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**DERMIRA, INC.**  
275 Middlefield Road, Suite 150  
Menlo Park, California 94025

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**PROXY STATEMENT FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS**

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April 29, 2015

**Information About Solicitation and Voting**

The accompanying proxy is solicited on behalf of Dermira, Inc.'s board of directors for use at Dermira, Inc.'s 2015 Annual Meeting of Stockholders to be held at our headquarters located at 275 Middlefield Road, Suite 150, Menlo Park, California 94025 on Thursday, June 11, 2015, at 10:00 a.m. (Pacific Time), and any adjournment or postponement thereof. This Proxy Statement and the accompanying form of proxy were first mailed to stockholders on or about April 29, 2015. An annual report for the year ended December 31, 2014 is enclosed with this Proxy Statement. An electronic copy of this proxy statement and annual report are available at <http://www.astproxyportal.com/ast/19681/>.

**General Information About the Meeting**

**Purpose of the Meeting**

You are receiving this proxy statement because the Board is soliciting your proxy to vote your shares at the Annual Meeting with respect to the proposals described in this proxy statement. This proxy statement includes information that we are required to provide to you pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and is designed to assist you in voting your shares. Following the Annual Meeting, management will report on the performance of Dermira and respond to questions from stockholders.

**Record Date; Quorum**

Only holders of record of common stock at the close of business on April 13, 2015, the record date, will be entitled to vote at the meeting. At the close of business on April 13, 2015, we had 24,670,911 shares of common stock outstanding and entitled to vote. For 10 days prior to the meeting, a complete list of the stockholders entitled to vote at the meeting will be available for examination by any stockholder for any purpose relating to the meeting during ordinary business hours at our headquarters.

The holders of a majority of the voting power of the shares of stock entitled to vote at the meeting as of the record date must be present at the meeting in order to hold the meeting and conduct business. This presence is called a quorum. Your shares are counted as present at the meeting if you are present and vote in person at the meeting or if you have properly submitted a proxy.

**Voting Rights; Required Vote**

In deciding all matters at the Annual Meeting, each holder of shares of common stock is entitled to one vote for each share of common stock held as of the close of business on April 13, 2015. We do not have cumulative voting rights for the election of directors. You may vote all shares owned by you as of April 13, 2015, including (1) shares held directly in your name as the stockholder of record and

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(2) shares held for you as the beneficial owner in street name through a broker, bank, trustee, or other nominee.

*Stockholder of Record: Shares Registered in Your Name.* If, on April 13, 2015, your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are considered the stockholder of record with respect to those shares. As a stockholder of record, you may vote at the meeting or vote by telephone, through the Internet or, if you request or receive paper proxy materials, by mail, by filling out and returning the proxy card.

*Beneficial Owner: Shares Registered in the Name of a Broker or Nominee.* If, on April 13, 2015, your shares were held in an account with a brokerage firm, bank or other nominee, then you are the beneficial owner of the shares held in street name. As a beneficial owner, you have the right to direct your nominee on how to vote the shares held in your account, and your nominee has enclosed or provided voting instructions for you to use in directing it on how to vote your shares. However, the organization that holds your shares is considered the stockholder of record for purposes of voting at the meeting. Because you are not the stockholder of record, you may not vote your shares at the meeting unless you request and obtain a valid proxy from the organization that holds your shares giving you the right to vote the shares at the meeting.

Each director will be elected by a plurality of the votes cast, which means that the three individuals nominated for election to the board of directors at the meeting receiving the highest number of "FOR" votes will be elected. You may either vote "FOR" one or any of the nominees or "WITHHOLD" your vote with respect to one or any of the nominees. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 and re-approval of our 2014 Equity Incentive Plan's material terms, performance criteria and share and performance award dollar limits of Section 162(m) of Internal Revenue Code of 1986, as amended (the "Code"), will be obtained if the number of votes cast "FOR" the proposal at the meeting exceeds the number of votes "AGAINST" the proposal. Abstentions (shares present at the meeting and marked "abstain") are counted for purposes of determining whether a quorum is present, and have no effect on the outcome of the matters voted upon. Broker non-votes occur when shares held by a broker for a beneficial owner are not voted either because (i) the broker did not receive voting instructions from the beneficial owner, or (ii) the broker lacked discretionary authority to vote the shares. Broker non-votes are counted for purposes of determining whether a quorum is present, and have no effect on the outcome of the matters voted upon. Note that if you are a beneficial holder and do not provide specific voting instructions to your broker, the broker that holds your shares will not be authorized to vote on the election of directors, ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 and the re-approval of our 2014 Equity Incentive Plan's material terms, performance criteria and Section 162(m) limits. Accordingly, we encourage you to provide voting instructions to your broker, whether or not you plan to attend the meeting.

### **Recommendations of the Board of Directors on Each of the Proposals Scheduled to be Voted on at the Meeting**

The board of directors recommends that you vote **FOR** each of the Class I directors named in this proxy statement (Proposal No. 1), **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal No. 2) and **FOR** the re-approval of our 2014 Equity Incentive Plan's material terms, performance criteria and Section 162(m) limits (Proposal No. 3). None of the directors or executive officers has any substantial interest in any matter to be acted upon, other than elections to office with respect to the directors so nominated.

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**Voting Instructions; Voting of Proxies**

If you are a stockholder of record, you may:

vote in person we will provide a ballot to stockholders who attend the meeting and wish to vote in person;

vote by telephone or through the Internet in order to do so, please follow the instructions shown on your proxy card; or

vote by mail if you request or receive a paper proxy card and voting instructions by mail, simply complete, sign and date the enclosed proxy card and return it before the meeting in the envelope provided.

Votes submitted by telephone or Internet must be received by 11:59 p.m. Pacific Time on June 10, 2015. Submitting your proxy, whether by telephone, through the Internet or, if you request or receive a paper proxy card, by mail, will not affect your right to vote in person should you decide to attend the meeting. If you are not the stockholder of record, please refer to the voting instructions provided by your nominee to direct it how to vote your shares. You may either vote "FOR" all of the nominees to the board of directors, or you may withhold your vote from any nominee you specify. For any other matter to be voted on you may vote "FOR" or "AGAINST" or "ABSTAIN" from voting. Your vote is important. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure that your vote is counted.

All proxies will be voted in accordance with the instructions specified on the proxy card. If you sign a physical proxy card and return it without instructions as to how your shares should be voted on a particular proposal at the meeting, your shares will be voted in accordance with the recommendations of our board of directors stated above.

If you do not vote and you hold your shares in street name, and your broker does not have discretionary power to vote your shares, your shares may constitute "broker non-votes" (as described above) and will not be counted in determining the number of shares necessary for approval of the proposals. However, shares that constitute broker non-votes will be counted for the purpose of establishing a quorum for the meeting.

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. To make certain all of your shares are voted, please follow the instructions included on each proxy card and vote each proxy card by telephone, through the Internet or by mail. If you requested or received paper proxy materials and you intend to vote by mail, please complete, sign and return each proxy card you received to ensure that all of your shares are voted.

**Expenses of Soliciting Proxies**

Dermira will pay the expenses of soliciting proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy and any other information furnished to stockholders. Following the original mailing of the soliciting materials, Dermira and its agents may solicit proxies by mail, email, telephone, facsimile, by other similar means or in person. Our directors, officers, and other employees, without additional compensation, may solicit proxies personally or in writing, by telephone, email, or otherwise. Following the original mailing of the soliciting materials, Dermira will request brokers, custodians, nominees and other record holders to forward copies of the soliciting materials to persons for whom they hold shares and to request authority for the exercise of proxies. In such cases, Dermira, upon the request of the record holders, will reimburse such holders for their reasonable expenses. If you choose to access the proxy materials and/or vote through the Internet, you are responsible for any Internet access charges you may incur.

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**Revocability of Proxies**

A stockholder of record who has given a proxy may revoke it at any time before it is exercised at the meeting by:

delivering to the Corporate Secretary of Dermira (by any means, including facsimile) a written notice stating that the proxy is revoked;

signing and delivering a proxy bearing a later date;

voting again by telephone or through the Internet; or

attending and voting at the meeting (although attendance at the meeting will not, by itself, revoke a proxy).

Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke a proxy, you must contact that firm to revoke any prior voting instructions.

**Voting Results**

Voting results will be tabulated and certified by the inspector of elections appointed for the meeting. The preliminary voting results will be announced at the meeting and posted on our website at <http://investor.dermira.com>. The final results will be tallied by the inspector of elections and filed with the SEC in a current report on Form 8-K within four business days of the meeting.

**BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD; CORPORATE GOVERNANCE STANDARDS AND DIRECTOR INDEPENDENCE**

Dermira is strongly committed to good corporate governance practices. These practices provide an important framework within which our board of directors and management can pursue our strategic objectives for the benefit of our stockholders.

**Corporate Governance Guidelines**

Our board of directors has adopted Corporate Governance Guidelines that set forth expectations for directors, director independence standards, board committee structure and functions, and other policies for the governance of the company. Our Corporate Governance Guidelines are available without charge on the "Investors" section of our website, which is located at <http://investor.dermira.com>, by clicking on "Corporate Governance Guidelines" in the "Corporate Governance" section of our website. Our nominating and corporate governance committee reviews the Corporate Governance Guidelines periodically, and changes are recommended to our board of directors as warranted.

**Board Leadership Structure**

Our Corporate Governance Guidelines provide that our board of directors shall be free to choose its chairperson in any way that it considers in the best interests of our company, and that the nominating and corporate governance committee shall periodically consider the leadership structure of our board of directors and make recommendations to the board of directors with respect thereto as appropriate. Our Corporate Governance Guidelines also provide that, when the positions of chairperson and chief executive officer are held by the same person, the independent directors shall designate a "lead independent director." In cases in which the chairperson and chief executive officer are the same person, the chairperson schedules and sets the agenda for meetings of the board of directors in consultation with the lead independent director, and the chairperson, or if the chairperson is not present, the lead independent director, chairs such meetings. The responsibilities of the chairperson or, if the chairperson and the chief executive officer are the same person, the lead

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independent director, include: presiding at executive sessions of independent directors, serving as a liaison between the chairperson and the independent directors of our board of directors, consulting with the chairperson regarding the information sent to the board of directors in connection with its meetings, having the authority to call meetings of the board of directors and meetings of the independent directors and performing such other functions and responsibilities as requested by the board of directors from time to time.

Our board of directors believes that our stockholders and we currently are best served by having Thomas G. Wiggans, our Chief Executive Officer, serve as Chairman and Fred B. Craves serve as our lead independent director. Our board of directors believes that the current board leadership structure, coupled with a strong emphasis on board independence, provides effective independent oversight of management while allowing the board and management to benefit from Mr. Wiggans' extensive executive leadership and operational experience, including familiarity with our business as a founder and Chief Executive Officer and his experience serving on the boards of directors, including as chairman, of other public companies. Independent directors and management sometimes have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from outside of our company, while the Chief Executive Officer brings company-specific experience and expertise. Our board of directors believes that Mr. Wiggans' combined role enables strong leadership, creates clear accountability, and enhances our ability to communicate our message and strategy clearly and consistently to stockholders. Our board of directors believes that its independence and oversight of management is maintained effectively through this leadership structure, including the role and responsibilities of the lead independent director, the composition of the board of directors and sound corporate governance policies and practices.

**Role of Board in Risk Oversight**

Our board of directors, as a whole, has responsibility for risk oversight, although the committees of our board of directors oversee and review risk areas that are particularly relevant to them. The risk oversight responsibility of our board of directors and its committees is supported by our management reporting processes, which are designed to provide visibility to the board of directors and to our personnel that are responsible for risk assessment and information about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include competitive, economic, operational, financial (accounting, credit, investment, liquidity and tax), legal, regulatory, compliance and reputational risks.

Each committee of the board of directors meets in executive session with key management personnel and representatives of outside advisors to oversee risks associated with their respective principal areas of focus. Our audit committee reviews our major financial risk exposures and the steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies and guidelines. Our compensation committee evaluates our major compensation-related risk exposures and the steps management has taken to monitor or mitigate such exposures. Our nominating and corporate governance committee reviews and discusses the narrative disclosure regarding our board of directors' leadership structure and role in risk oversight. Our science and technology committee reviews our risk exposures in areas relating to our research and development activities, clinical development programs and intellectual property.

**Agreements Applicable to Certain Directors**

In March 2014, we entered into a development and commercialization agreement (the "UCB Agreement") with UCB Pharma S.A. ("UCB"). Pursuant to the UCB Agreement, UCB is entitled to designate one member of our board of directors, currently Mark D. McDade, and we have agreed not to remove the UCB designee from our board of directors prior to, and to re-nominate the UCB designee for election to our board of directors at, each annual meeting of stockholders taking place,

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prior to the earliest of the date that (1) Dermira has terminated the UCB Agreement for certain breaches of UCB, (2) UCB has terminated the UCB Agreement for certain breaches of Dermira, (3) UCB ceases to own 50% of the shares of Dermira that it has purchased directly from Dermira, (4) Dermira consummates a change of control, (5) specified time periods after the termination of the UCB Agreement, other than termination for a breach, have lapsed and (6) the later of the date on which (a) all valid claims under a patent relevant to the UCB Agreement have expired or the last unexpired valid claim of this patent is declared invalid and (b) the net sales of Cimzia to dermatologists in a calendar year during the term of the UCB Agreement are less than a specified percentage of the net sales of Cimzia to dermatologists in any prior calendar year during the term of the UCB Agreement. Other than the foregoing provisions of the UCB Agreement, there are no contractual obligations regarding the election of our directors.

**Independence of Directors**

Our board of directors determines the independence of our directors by applying the applicable rules, regulations and listing standards of The NASDAQ Stock Market LLC ("NASDAQ"). These provide that a director is independent if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Applying these standards, the board annually reviews the independence of the company's directors, taking into account all relevant facts and circumstances. In its most recent review, the board considered, among other things, the relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Based upon this review, our board of directors has determined that David E. Cohen, Fred B. Craves, Matthew K. Fust, Wende S. Hutton, Jake R. Nunn and William R. Ringo, representing six of our nine directors, are currently independent as determined under applicable NASDAQ rules, regulations and listing standards. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions." In particular, our board of directors considered each of the following:

Dr. Cohen's service as one of our scientific advisors from July 2010 to June 2014 and his receipt of advisory fees in connection with such role and his service on the board of directors of Vyteris from June 2011 to January 2012, during which time Dr. Bauer was chairman of the board of directors of Vyteris; and

Mr. Fust's service as an executive officer of Onyx Pharmaceuticals, Inc. from January 2009 until Onyx's acquisition by Amgen Inc. in October 2013, during which time Mr. Wiggans served as a member of Onyx's board of directors and as a member of its compensation committee.

All members of our audit committee, compensation committee and nominating and corporate governance committee must be independent directors under the applicable NASDAQ rules, regulations and listing standards. Members of the audit committee must also satisfy a separate SEC independence requirement, which provides that they may not (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from Dermira or any of its subsidiaries other than their directors' compensation (including in connection with such member's service as a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from Dermira or any of its subsidiaries) or (2) be an affiliated person of Dermira or any of its subsidiaries.

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Members of the compensation committee also must satisfy a separate SEC independence requirement and a related NASDAQ listing standard relating to their affiliation with Dermira and what advisory, consulting or other fees they may have received from Dermira. Our board of directors has determined that all members of our audit committee, compensation committee and nominating and corporate governance committee are independent and all members of our audit committee satisfy the relevant SEC and NASDAQ independence requirements for the members of such committee.

**Committees of Our Board of Directors**

Our board of directors has established an audit committee, a compensation committee, a nominating and corporate governance committee and a science and technology committee. The composition and responsibilities of each committee are described below. Each of these committees has a written charter approved by the board of directors. Copies of the charters for each committee are available, without charge, upon request in writing to Dermira, Inc., 275 Middlefield Road, Suite 150, Menlo Park, CA 94025, Attn: Legal Department, or in the "Investors" section of our website, which is located at <http://investor.dermira.com>, by clicking on "Documents & Charters" in the "Corporate Governance" section of our website. Members serve on these committees until their resignations or until otherwise determined by our board of directors.

***Audit Committee***

Our audit committee is comprised of Dr. Cohen and Messrs. Fust and Ringo. Mr. Fust is the Chairperson of our audit committee. Messrs. Fust and Ringo and Dr. Cohen each meet the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Each member of our audit committee is financially literate as required by NASDAQ listing standards. In addition, our board of directors has determined that Mr. Fust is an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act. This designation does not impose any duties, obligations or liabilities that are greater than those generally imposed on members of our audit committee and our board of directors. Our audit committee is directly responsible for, among other things:

selecting a firm to serve as the independent registered public accounting firm to audit our financial statements;

ensuring the independence of the independent registered public accounting firm;

discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and that firm, our interim and year-end operating results;

establishing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;

considering the adequacy of our internal controls and internal audit function;

reviewing material related party transactions or those that require disclosure; and

approving or, as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm.

***Compensation Committee***

Our compensation committee is comprised of Ms. Hutton and Messrs. Fust and Ringo. Ms. Hutton is the Chairperson of our compensation committee. The composition of our compensation committee meets the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Each member of this committee is (1) an outside director, as defined pursuant to

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Section 162(m) of the Code, and (2) a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act. Our compensation committee is responsible for, among other things:

reviewing and approving the compensation of our executive officers;

reviewing and recommending to our board of directors the compensation of our directors;

administering our stock and equity incentive plans;

reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans; and

reviewing our overall compensation philosophy.

The compensation committee has the exclusive authority and responsibility to determine all aspects of executive compensation packages for executive officers, including the chief executive officer, and makes recommendations to our board of directors regarding the compensation of non-employee directors. The compensation committee may take into account the recommendations of the board of directors (or any member thereof) with respect to compensation of the executive officers.

The compensation committee engaged an external compensation consultant, Radford Consulting (an Aon Hewitt company), to evaluate our executive compensation program and practices and to provide advice and ongoing assistance on executive compensation matters for the year ended December 31, 2014 and the year ending December 31, 2015. Specifically, Radford was engaged to:

provide compensation-related data for a peer group of companies to serve as a basis for assessing competitive compensation practices;

review and assess our current director, chief executive officer and other executive officer compensation policies and practices and equity grant profile relative to market practices;

review and assess our current executive compensation program relative to market to identify any potential changes or enhancements to be brought to the attention of the compensation committee; and

review market practices on equity grant programs and employee stock purchase plans.

Other than the services described above and the provision of assumption variables to our finance department for use in equity compensation accounting and for the company's subscription to survey data for executive and non-executive market data at an aggregate cost of \$28,744 in 2014, Radford has not provided our company or our compensation committee with any other services for the year ended December 31, 2014. Representatives of Radford attend regular meetings of the compensation committee, including independent direction sessions from time to time without any members of management present. Radford works directly with our compensation committee (and not on behalf of management) to assist the committee in satisfying its responsibilities and will undertake no projects for management without the committee's prior approval. The compensation committee has determined that Radford does not have any conflicts of interest in advising the compensation committee under applicable SEC and NASDAQ rules and regulations.

The compensation committee has delegated, in accordance with applicable law, rules and regulations and our certificate of incorporation and bylaws, to an equity award committee comprised of the chief executive officer and chief financial officer of our company, the authority to make certain types of equity awards to employees other than specified officers or directors under our company's 2014 Equity Incentive Plan pursuant to the terms of such plan and the equity award guidelines approved by our compensation committee.



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***Nominating and Corporate Governance Committee***

Our nominating and corporate governance committee is comprised of Drs. Cohen and Craves and Mr. Nunn. Mr. Nunn is the Chairperson of our nominating and corporate governance committee. The composition of our nominating and corporate governance committee meets the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Our nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending candidates for membership on our board of directors;
- recommending directors to serve on board committees;
- reviewing and recommending changes to our corporate governance guidelines and policies;
- reviewing proposed waivers of the codes of conduct for directors, executive officers and employees (with waivers for directors or executive officers to be approved by the board of directors);
- evaluating, and overseeing the process of evaluating, the performance of our board of directors and individual directors; and
- assisting our board of directors on corporate governance matters.

***Science and Technology Committee***

Our science and technology committee is comprised of Drs. Bauer, Cohen and Craves. Dr. Cohen is the Chairperson of our science and technology committee. Our science and technology committee is responsible for, among other things:

- reviewing our research and development programs;
- identifying and providing advice to our board of directors and management on significant emerging trends and issues in science and technology relevant to our business;
- meeting with our scientific advisory board and other relevant scientific and medical leaders; and
- providing advice to our board of directors on the scientific, medical, research and development, intellectual property aspects of our transactions such as acquisitions and licenses.

**Compensation Committee Interlocks and Insider Participation**

The members of our compensation committee during the year ended December 31, 2014 included Ms. Hutton, Drs. Cohen and Craves and Messrs. Fust, Nunn and Ringo. None of the members of our compensation committee in 2014 was at any time during 2014 or at any other time an officer or employee of Dermira or any of its subsidiaries, and none had or have any relationships with Dermira that are required to be disclosed under Item 404 of Regulation S-K. During 2014, none of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee. Mr. Fust served as an executive officer of Onyx from January 2009 until Onyx's acquisition by Amgen Inc. in October 2013, during which time Mr. Wiggans served as a member of Onyx's board of directors and as a member of its compensation committee.

**Board and Committee Meetings and Attendance**

The board of directors and its committees meet throughout the year on a set schedule, and also hold special meetings and act by written consent from time to time. During 2014:

the board of directors held 21 meetings and acted by unanimous written consent one time;

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the audit committee held four meetings and acted by unanimous written consent one time;

the compensation committee held five meetings and acted by unanimous written consent one time;

the nominating and corporate governance committee held no meetings, as our board of directors did not create the nominating and corporate governance committee until immediately prior to our company's initial public offering in October 2014 and prior to such time, oversaw the establishment of our company's corporate governance practices; and

the science and technology committee held no meetings, as our board of directors did not create the science and technology committee until 2015.

During 2014, each member of the board of directors attended at least 75% of the aggregate of all meetings of the board of directors and of all meetings of committees on which such member served that were held during the period in which such director served.

**Board Attendance at Annual Stockholders' Meeting**

Our policy is to invite and encourage each member of our board of directors to be present at our annual meetings of stockholders. We completed our initial public offering in October 2014 and did not have an annual meeting of our stockholders in 2014.

**Presiding Director of Non-Employee Director Meetings**

The non-employee directors meet in regularly scheduled executive sessions without management to promote open and honest discussion. Our lead independent director, currently Dr. Craves, is the presiding director at these meetings.

**Communication with Directors**

Stockholders and interested parties who wish to communicate with our board of directors, non-management members of our board of directors as a group, a committee of the board of directors or a specific member of our board of directors (including our chairperson or lead independent director, if any) may do so by letters addressed to the attention of our Corporate Secretary or by sending an email to the board of directors at [board@dermira.com](mailto:board@dermira.com).

All communications are reviewed by the Corporate Secretary and provided to the members of the board of directors consistent with a screening policy providing that unsolicited items, sales materials, abusive, threatening or otherwise inappropriate materials and other routine items and items unrelated to the duties and responsibilities of the board of directors will not be provided to directors. Any communication that is not provided to directors is recorded in a log and made available to our board of directors.

The address for these communications is:

Dermira, Inc.  
c/o Corporate Secretary  
275 Middlefield Road, Suite 150  
Menlo Park, CA 94025

**Codes of Business Conduct and Ethics**

We have adopted Codes of Business Conduct and Ethics that apply to all of our board members, officers and employees. Our Codes of Business Conduct and Ethics are posted on the "Investors" section of our website, which is located at <http://investor.dermira.com> under "Governance Documents"

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in the "Corporate Governance" section of our website. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Codes of Business Conduct and Ethics by posting such information on our website at the address and location specified above.

**NOMINATIONS PROCESS AND DIRECTOR QUALIFICATIONS**

**Nomination to the Board of Directors**

Candidates for nomination to our board of directors are selected by our board of directors based on the recommendation of the nominating and corporate governance committee in accordance with the committee's charter, our certificate of incorporation and bylaws, our Corporate Governance Guidelines and the criteria adopted by the board of directors regarding director candidate qualifications. In recommending candidates for nomination, the nominating and corporate governance committee considers candidates recommended by directors, officers, employees, stockholders and others, using the same criteria to evaluate all candidates. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate and, in addition, the committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

Additional information regarding the process for properly submitting stockholder nominations for candidates for membership on our board of directors is set forth below under "Stockholder Proposals to Be Presented at Next Annual Meeting."

**Director Qualifications**

With the goal of developing a diverse, experienced and highly-qualified board of directors, the nominating and corporate governance committee is responsible for developing and recommending to the board of directors the desired qualifications, expertise and characteristics of members of our board of directors, including any specific minimum qualifications that the committee believes must be met by a committee-recommended nominee for membership on the board of directors and any specific qualities or skills that the committee believes are necessary for one or more of the members of the board of directors to possess.

Since the identification, evaluation and selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors, and will be significantly influenced by the particular needs of the board of directors from time to time, our board of directors has not adopted a specific set of minimum qualifications, qualities or skills that are necessary for a nominee to possess, other than those that are necessary to meet U.S. legal, regulatory and NASDAQ listing requirements and the provisions of our certificate of incorporation, bylaws, Corporate Governance Guidelines, and charters of the board committees. In addition, neither the board of directors nor the nominating and corporate governance committee has a formal policy with regard to the consideration of diversity in identifying nominees. When considering nominees, the nominating and corporate governance committee may take into consideration many factors including, among other things, a candidate's independence, integrity, skills, financial and other expertise, breadth of experience, knowledge about our business or industry and ability to devote adequate time and effort to responsibilities of the board of directors in the context of its existing composition. Through the nomination process, the nominating and corporate governance committee seeks to promote board membership that reflects a diversity of business experience, expertise, viewpoints, personal backgrounds and other characteristics that are expected to contribute to the board of directors' overall effectiveness. The brief biographical description of each director set forth in Proposal No. 1 below includes the primary individual experience, qualifications, attributes and skills of each of our directors that led to the conclusion that each director should serve as a member of our board of directors at this time.

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**PROPOSAL NO. 1  
ELECTION OF DIRECTORS**

Our board of directors currently consists of nine directors and is divided into three classes. Each class serves for three years, with the terms of office of the respective classes expiring in successive years. Directors in Class I will stand for election at our annual meeting to be held on June 11, 2015. The terms of office of directors in Class II and Class III do not expire until the annual meetings of stockholders held in 2016 and 2017, respectively. At the recommendation of our nominating and corporate governance committee, our board of directors proposes that each of the three Class I nominees named below, each of whom is currently serving as a director in Class I, be elected as a Class I director for a three-year term expiring at the 2018 annual meeting of stockholders and until such director's successor is duly elected and qualified or until such director's earlier death, resignation or removal.

Shares represented by proxies will be voted "FOR" the election of each of the three nominees named below, unless the proxy is marked to withhold authority to so vote. If any nominee for any reason is unable to serve or for good cause will not serve, the proxies may be voted for such substitute nominee as the proxy holder might determine. Each nominee has consented to being named in this proxy statement and to serve if elected. Proxies may not be voted for more than three directors. Stockholders may not cumulate votes for the election of directors.

**Nominees to the Board of Directors**

The nominees and their ages as of March 31, 2015, occupations and length of board service are provided in the table below. Additional biographical descriptions of each nominee are set forth in the text below the table. These descriptions include the primary individual experience, qualifications, qualities and skills of each of our nominees that led to the conclusion that each director should serve as a member of our board of directors at this time.

**Name of Director**