SHERWIN WILLIAMS CO
Form 4
February 19, 2014

FORM 4

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Anton Arthur F

(Last) (First) (Middle)

29500 SOLON ROAD

(Street)

SOLON, OH 44139

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SHERWIN WILLIAMS CO [SHW]

3. Date of Earliest Transaction (Month/Day/Year)
02/18/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/18/2014		A (1)		603	A	$ 0	13,409 (2)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Anton Arthur F 29500 SOLON ROAD SOLON, OH 44139	X			

Signatures

Catherine M. Kilbane, Attorney-in-fact	02/19/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Grant of restricted shares of common stock under The Sherwin-Williams Company 2006 Stock Plan for Nonemployee Directors.

(2) Of shares listed, 1,492 are restricted.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. mercial product needs.

While one source of supply is utilized for OMIDRIA and generally one source for each of our product candidates, other sources are available should we need to change suppliers. We endeavor to maintain reasonable levels of drug supply for our commercial and clinical trial use. A change in suppliers, however, could cause a delay in delivery of OMIDRIA or our clinical trial material that would adversely affect our business.

Recently Adopted Accounting Pronouncements

For the year ended December 31, 2015 we adopted and applied retrospectively Financial Accounting Standards Board (FASB) Accounting Standards Update, or ASU, No. 2015-03, related to simplifying the presentation of debt issuance costs. This standard requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction to the liability. The adoption of ASU 2015-03 resulted in the reclassification of $300,000 of debt issuance costs from Other Current Assets and Other Assets to Current Portion of Notes Payable and Notes Payable in our December 31, 2014 Consolidated Balance Sheet.

In November 2015, FASB issued ASU, No. 2015-17 that simplifies the presentation of deferred tax assets and liabilities by jurisdiction, along with any related valuation allowance. The new guidance requires companies to classify all deferred tax assets and liabilities as noncurrent on the balance sheet. We have elected to apply this standard prospectively for the year ended December 31, 2015. As we have a full valuation allowance against our deferred tax assets for all periods presented, the adoption had no material impact on the presentation of our financial condition, results of operations, cash flow and financial statement disclosures.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02 related to lease accounting. This standard requires lessees to recognize a right-of-use asset and a lease liability for most leases. This standard must be applied using a modified retrospective transition and is effective for all annual and interim periods beginning after December 15, 2018. Earlier adoption is permitted. We are evaluating how this new standard will impact the presentation of our financial statements and related disclosures.

In July 2015, FASB issued ASU 2015-11 related to simplifying the measurement of inventory. This standard requires inventory to be measured at the lower of cost or net realizable value. This standard must be applied prospectively and is effective for all annual and interim periods beginning after December 15, 2016. Earlier application is permitted as of the beginning of an interim or annual reporting period. This standard is not expected to have a material impact on the presentation of the our financial position.

In August 2014, FASB issued ASU No. 2014-15 related to disclosure of an entity’s ability to continue as a going concern. This standard requires management to evaluate whether substantial doubt exists regarding the entity’s ability to continue as a going concern at each reporting period for a duration of one year after the date the financial statements are issued or available to be issued. The standard establishes certain required disclosures if substantial doubt exists. This standard must be applied prospectively and is effective for interim and annual periods beginning after December 15, 2016. We will review the impact of the standard upon our disclosures, if applicable, beginning in 2017.

In May 2014, FASB issued ASU No. 2014-09 related to the recognition of revenue that supersedes existing guidance. This standard clarifies the principles for recognizing revenue utilizing a five-step process. This standard must be applied retroactively to each prior reporting period presented, or retrospectively with the cumulative effect of applying the standard recognized in the period adopted. As amended, the standard is effective for interim and annual periods beginning after December 15, 2017 and cannot be adopted before that effective date. We are currently evaluating the impact that this standard may have on our financial statements once it is adopted.

Note 3—Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and dilutive common share equivalents outstanding for the period, determined using the treasury-stock method.

The basic and diluted net loss per share amounts for the years ended December 31, 2015, 2014 and 2013 were computed based on the shares of common stock outstanding during the respective periods. Potentially dilutive securities excluded from the diluted loss per share calculation are as follows:

	Year Ended December 31,		
	2015	2014	2013
Outstanding options to purchase common stock	8,310,235	8,364,469	6,969,303
Warrants and pre-funded warrants to purchase common stock	749,250	551,435	609,016
Total potentially dilutive securities	9,059,485	8,915,904	7,578,319

Note 4—Cash, Cash Equivalents and Investments

As of December 31, 2015 and 2014, all investments are classified as short-term and available-for-sale on the accompanying Consolidated Balance Sheets. We did not own any securities with unrealized loss positions as of December 31, 2015 or 2014. Investment income, which is included as a component of other income (expense), consists primarily of interest earned.

Note 5—Fair-Value Measurements

On a recurring basis, we measure certain financial assets at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, an exit price, in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting standard establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required:

Level 1—Observable inputs for identical assets or liabilities, such as quoted prices in active markets;

Level 2—Inputs other than quoted prices in active markets that are either directly or indirectly observable; and

Level 3—Unobservable inputs in which little or no market data exists, therefore they are developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Our fair-value hierarchy for our financial assets and liabilities measured at fair value on a recurring basis are as follows:

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money-market funds classified as non-current restricted cash and investments	$10,679	$—	$—	$10,679
Money-market funds classified as short-term investments	26,898	—	—	26,898
Total	$37,577	$—	$—	$37,577

	December 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money-market funds classified as non-current restricted cash and investments	$679	$—	$—	$679
Money-market funds classified as short-term investments	6,532	—	—	6,532
Total	$7,211	$—	$—	$7,211

Cash held in demand deposit accounts of $1.4 million and $354,000 is excluded from our fair-value hierarchy disclosure as of December 31, 2015 and 2014, respectively. There were no unrealized gains and losses associated with our short-term investments as of December 31, 2015 or 2014. The carrying amounts reported in the accompanying

Consolidated Balance

F-12

Sheets for receivables, accounts payable and other current monetary assets and liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments.

Note 6—Certain Balance Sheet Accounts

Receivables

	December 31, 2015	2014
	(In thousands)	
Trade receivables, net	$6,208	$—
Grant receivables	136	324
Other receivables	173	68
Total receivables	$6,517	$392

Trade accounts receivable are shown net of $191,000 of chargebacks and product return allowances as of December 31, 2015.

Inventory

	December 31, 2015	2014
	(In thousands)	
Raw materials	$93	$—
Work-in-process	158	—
Finished goods	221	568
Total inventory	$472	$568

Property and Equipment

	December 31, 2015	2014
	(In thousands)	
Laboratory equipment	$1,735	$1,636
Office equipment and furniture	625	615
Computer equipment	482	403
Capital lease equipment	367	230
Computer software	174	126
Total cost	3,383	3,010
Less accumulated depreciation and amortization	(2,432)	(2,228)
Total property and equipment, net	$951	$782

For the years ended December 31, 2015, 2014 and 2013, depreciation and amortization expense was $209,000, $317,000 and $302,000, respectively.

Accrued Expenses

	December 31, 2015	2014
	(In thousands)	
Contract research and development	$2,973	$1,280
Employee compensation	2,590	2,421
Consulting and professional fees	2,400	1,952
Clinical trials	1,108	828
Other accruals	681	589
Total accrued liabilities	$9,752	$7,070

Note 7—Notes Payable

Loan and Security Agreement

In October 2010, we entered into a loan and security agreement (the Oxford Loan Agreement) with Oxford Finance LLC (Oxford). In December 2012 we amended the Oxford Loan Agreement and increased the outstanding principal balance to $20.0 million. The Oxford Loan Agreement provided for interest-only payments at an annual rate of 9.25% through December 31, 2013 with principal and interest payments commencing January 1, 2014. In connection with the Oxford Loan Agreement, we agreed to pay Oxford $1.4 million in a loan maturity fee that was being amortized to interest expense using the effective-interest method.

In March 2014, we entered into a Loan and Security Agreement (the Oxford/MidCap Loan Agreement) with Oxford and MidCap Financial SBIC, LP (MidCap) pursuant to which we borrowed $32.0 million. We used $19.1 million of the loan proceeds to repay all of the amounts owed by us under our then outstanding Oxford Loan Agreement from Oxford and, after deducting loan initiation costs, we received $12.7 million in net proceeds. The Oxford/MidCap Loan Agreement provided for interest-only payments at an annual rate of 9.25% through March 1, 2015 with principal and interest payments of $1.0 million commencing April 1, 2015 through its maturity date of March 1, 2018. In addition, the Oxford/MidCap Loan Agreement required a $2.2 million loan maturity fee payment upon full repayment of the loan and a prepayment fee equal to 1.0% of the then-outstanding principal balance if we paid the loan prior to the maturity date.

We accounted for the Oxford/MidCap Loan Agreement as a debt modification and, accordingly, the unamortized debt issuance costs associated with the then-outstanding loan with Oxford, and the debt issuance costs associated with the Oxford/MidCap Loan Agreement were being amortized to interest expense using the effective interest method over the remaining term of Oxford/MidCap Loan Agreement. Additionally, the loan maturity fee, which was treated as a debt discount, was being amortized to interest expense using the effective-interest method.

In December 2015, we entered into a new Loan and Security Agreement (the Oxford/EWB Loan Agreement) with Oxford and East West Bank (EWB) pursuant to which we borrowed $50.0 million. In addition, under the Oxford/EWB Loan Agreement we can borrow an additional $20.0 million in two tranches of $10.0 million each through June 30, 2017, contingent upon the satisfaction of certain conditions including minimum net revenues from OMIDRIA. We used $27.3 million of the loan proceeds to repay all of the amounts owed by us under our then-outstanding Oxford/Midcap Loan Agreement including the outstanding principal of $24.8 million, the loan maturity fee of $2.2 million and the prepayment fee of $248,000. After deducting all loan initiation and outstanding interest on the Oxford/MidCap Loan Agreement, we received $22.3 million in net proceeds. We accounted for the termination of the Oxford/Midcap Loan Agreement as a debt extinguishment and, accordingly, incurred a loss of $1.3 million associated with the unamortized loan maturity fee and the prepayment fee.

The Oxford/EWB Loan Agreement requires monthly interest-only payments of $385,000 on the original $50.0 million we borrowed computed at an annual rate of 9.25% through July 1, 2017. Beginning August 1, 2017, monthly principal and interest payments of approximately $1.9 million are due on the original $50.0 million we borrowed through the maturity date of January 1, 2020. In addition, the Oxford/EWB Loan Agreement requires a $3.8 million loan maturity fee upon full repayment of the initial $50.0 million borrowed and $525,000 for each additional $10.0 million borrowed. We may prepay the outstanding principal balance in its entirety at any time if we pay a prepayment equal to 1.0% of the then-outstanding principal balance. As security under the Oxford/EWB Loan Agreement, we granted Oxford, as collateral agent for the lenders, a security interest in substantially all of our assets, excluding intellectual property (other than proceeds derived from any intellectual property).

F-14

The Oxford/EWB Loan Agreement contains covenants that require us to maintain $10.0 million in restricted cash and certain eligible term investments, meet an annual OMIDRIA revenue minimum for 2016 and quarterly OMIDRIA revenue minimums in 2017 and 2018, and to establish an at-the-market (ATM) equity facility that we established on January 6, 2016 (see Note 10). The Oxford/EWB Loan Agreement also contains covenants that limit or restrict our ability to incur indebtedness, grant liens, merge or consolidate, dispose of assets, make investments, make acquisitions, enter into certain transactions with affiliates, pay dividends or make distributions, repurchase stock, license our intellectual property for a limited set of our programs without lender approval or pledge our intellectual property. Additionally, the Oxford/EWB Loan Agreement includes events of default regarding non-payment, inaccuracy of representations and warranties, covenant breaches, occurrence of a material adverse effect (MAE, as defined below), cross default to material indebtedness, bankruptcy or insolvency, material judgments, and a change of control. The occurrence of an event of default could result in the acceleration of the Oxford/EWB Loan Agreement and, under certain circumstances, could increase our interest rate by 5.0% per annum during the period of default.

MAE is defined as a material adverse effect upon (i) our business operations, properties, assets, results of operations or financial condition of Omeros, taken as a whole with respect to our viability, that reasonably would be expected to result in our inability to repay any portion of the loans in accordance with the terms of the Oxford/EWB Loan Agreement, (ii) the validity, perfection, value or priority of the lenders' security interest in the collateral, (iii) the enforceability of any material provision of the Oxford/EWB Loan Agreement or related agreements, or (iv) the ability of the lenders to enforce their rights and remedies under the Oxford/EWB Loan Agreement or related agreements.

As of December 31, 2015, the outstanding principal on the Oxford/EWB Loan Agreement was $50.0 million and the remaining unamortized discount and debt issuance costs were $3.8 million and $436,000, respectively. Additionally, there were no covenant violations during the year ended December 31, 2015.

Equipment Financing

We have capital leases for certain lab and office equipment which have lease terms expiring between October 2017 and June 2019. Equipment costs related to these capital leases of $367,000 and $230,000 is included in our property and equipment as of December 31, 2015 and December 31, 2014, respectively and the accumulated depreciation on this equipment was $98,000 and $52,000, respectively. The remaining principal payments under these capital leases totaled $281,000 and $185,000 as of December 31, 2015 and 2014, respectively.

Future Principal Payments

Future principal payments as of December 31, 2015 under the Oxford/EWB Loan Agreement and our capital equipment financing leases, based on stated contractual maturities, are as follows:

Year Ending December 31,	Total (In thousands)
2016	$73
2017	7,627
2018	19,432
2019	21,258
2020	1,891
Total future principal payments	$50,281

The principal payments reflected in the table above exclude the $436,000 unamortized balance of the debt discount.

Note 8—Grant Revenue

Revenues recognized from grants are as follows:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Small Business Innovative Research Grants (SBIR)	$245	$539	$630
Vulcan Inc.	—	—	970
Total revenue	$245	$539	$1,600

We have periodically received Small Business Innovative Research (SBIR) grants from the National Institutes of Health (NIH) which are used to support the research and development of our product candidates. We recorded revenue related to these grants of $245,000, $539,000 and $630,000 for the years ended December 31, 2015, 2014 and 2013, respectively. We recorded cost reductions to property and equipment due to assets being purchased with grant funding of $80,000 for the year ended December 31, 2014. We had no similar cost reductions to property and equipment for the years ended December 31, 2015 and 2013. As of December 31, 2015, $219,000 of potential revenue remained available under these grants, if qualifying research is performed.

In 2010, we entered into a platform development funding agreement with Vulcan Inc. and its affiliate (collectively, Vulcan) pursuant to which we received $20.0 million for our G protein-coupled receptor (GPCR) program. The revenue was recognized as costs were incurred or as a reduction to the costs of assets purchased in direct proportion to the related GPCR expenses. For the year ended December 31, 2013, we recognized all the remaining revenue of $970,000 from this funding agreement.

Note 9—Commitments and Contingencies

Real Estate and Equipment Lease Obligations

We lease office and laboratory spaces in The Omeros Building. The initial term of this lease ends in November 2027 and we have two options to extend the lease term, each by five years. As of December 31, 2015, the remaining aggregate non-cancelable rent under the initial terms of the lease was $54.5 million. The deferred rent balance of $9.2 million relates to rent deferrals and landlord funded lease incentives since the inception of our lease and is being amortized to research and development and selling, general and administrative expense on a straight-line basis through the initial term of the lease.

Rent expense, including the amortization of lease incentives and rent deferrals, totaled $4.5 million, $4.5 million and $4.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

We periodically sublease unused office and laboratory space in The Omeros Building to third-party tenants. Rental income received under these subleases was $889,000, $568,000 and $550,000 for the years ended December 31, 2015, 2014 and 2013, respectively. Rental income is recorded as other income in the accompanying Consolidated Statements of Operations and Comprehensive Loss.

We rent equipment under various operating lease agreements which have remaining aggregate non-cancellable rent of $76,000 at December 31, 2015.

Future minimum payments related to these leases and The Omeros Building lease, which exclude common area maintenance and related operating expenses, at December 31, 2015, are as follows:

Year Ending December 31,	Lease Payments	Sublease Receipt	Net Lease Payments
	(In thousands)		
2016	$4,106	$682	$3,424
2017	4,188	580	3,608
2018	4,259	—	4,259
2019	4,350	—	4,350
2020	4,450	—	4,450
Thereafter	33,263	—	33,263
Total	$54,616	$1,262	$53,354

Contracts

As of December 31, 2015, we have a firm purchase commitment with Patheon for the manufacture of $1.3 million of commercial supply of OMIDRIA. We anticipate receiving the product during the first quarter of 2016.

Development Milestones and Product Royalties

Phosphodiesterase 10 (PDE10) inhibitors - In connection with a funding agreement with The Stanley Medical Research Institute entered into in December 2006, beginning the first calendar year after commercial sales of any therapeutic product that inhibits or modulates PDE10 (including for schizophrenia or Huntington’s disease), we are obligated to pay royalties based on net income of the product, as defined in the agreement. Based on the amount of grant funding received, the maximum amount of royalties payable by us is $12.8 million. For the years ended December 31, 2015, 2014 and 2013, we did not owe any royalties.

Peroxisome proliferators activated receptor gamma (PPAR) - In February 2009, we entered into a patent assignment agreement whereby we acquired all intellectual property rights, including patent applications, related to PPAR agonists for the treatment and prevention of addictions to substances of abuse, as well as other compulsive behaviors. In February 2011, we amended the patent assignment agreement to include all intellectual property rights, including patent applications, related to dietary supplements that increase PPAR activity. We will be required to make payments up to $3.8 million in total, for both PPAR agonists and dietary supplements that increase PPAR activity, upon achievement of certain development events, such as the initiation of clinical trials and receipt of marketing approval. In addition, we are obligated to pay a low single-digit percentage royalty on any net sales of drug products that are covered by the patent assignment agreement. For the years ended December 31, 2015, 2014 and 2013, we did not owe any development milestones or royalties.

Phosphodiesterase 7 (PDE7) inhibitors - Under a license agreement with Daiichi Sankyo Co., Ltd. (Daiichi Sankyo) we hold an exclusive license to phosphodiesterase 7 (PDE7) inhibitors owned by Daiichi Sankyo for use in (1) the treatment of movement disorders and other specified indications; (2) addiction and compulsive disorders; and (3) all other indications except those related to dermatologic conditions. We will be required to make milestone payments to Daiichi Sankyo of up to $33.5 million upon the achievement of certain events, such as successful completion of certain preclinical toxicology studies; dosing of human subjects in Phase 1, 2 and 3 clinical trials; receipt of marketing approval of a PDE7 inhibitor product; and reaching specified sales milestones. However, if only one of the three indications is advanced through each milestone, the total milestone payments would be $23.5 million. In addition, we are obligated to pay Daiichi Sankyo a low single-digit percentage royalty on any net sales of a PDE7 inhibitor licensed under the agreement provided that if the sales are made by a sublicensee, the amount payable by us to Daiichi Sankyo is capped at a low double-digit percentage of all royalty and specified milestone payments that we receive from the sublicensee. For the year ended December 31, 2013, we paid $50,000 upon execution of an amendment which was recognized as research and development expense. For the years ended December 31, 2015, 2014 and 2013, we did not owe any development milestones or royalties.

Mannan-binding lectin-associated serine protease-2 (MASP-2) - In April 2010, we entered into an exclusive license agreement with Helion Biotech ApS (Helion), pursuant to which we received a royalty bearing, worldwide exclusive license to all of Helion's intellectual property rights related to MASP-2 antibodies, polypeptides and methods in the field of inhibition of mannan-binding lectin-mediated activation of the complement system for the prevention, treatment or diagnosis of any disease

---

or condition. We will be required to make development and sales milestone payments to Helion of up to $6.1 million upon the achievement of certain events, such as the filing of an Investigational New Drug Application (IND) with the FDA; initiation of Phase 2 and 3 clinical trials; receipt of marketing approval; and reaching specified sales milestones. We are obligated to pay Helion a low single-digit percentage royalty on net sales of a MASP-2 inhibitor product covered by the patents licensed under the agreement. For the year ended December 31, 2015, we did not owe any development milestones or royalties. For the years ended December 31, 2014 and 2013, we incurred development milestone costs of $300,000 and $200,000, respectively, under this agreement which was recognized as research and development expense.

G protein-coupled receptor (GPCR) - In connection with our funding agreements with Vulcan and LSDF discussed in Note 8, we agreed to pay Vulcan and LSDF tiered percentages of the net proceeds derived from the GPCR program. The percentage rates decrease as the cumulative net proceeds reach specified thresholds, and the blended percentage rate in the aggregate is in the mid-teens with respect to approximately the first $1.5 billion of cumulative net proceeds. If we receive cumulative net proceeds in excess of approximately $1.5 billion, the percentage rate decreases to one percent. Pursuant to the agreement with Vulcan, we may pay a portion of Vulcan's share of the one percent of net proceeds to a life sciences initiative (LSI) to be established in accordance with the LSDF agreement. The LSI will be a non-profit, tax-exempt organization with a mission to advance life sciences in the State of Washington.

Net proceeds are generally defined in the Vulcan and LSDF agreements as (1) all consideration received by us in any form relating directly to the GPCR program less (2) all expenses and expenditures in excess of $25.0 million incurred by us in connection with the GPCR program. Any consideration that we receive (a) from government entities (subject to specified exceptions), (b) from third parties that have designated such consideration for the purpose of funding research and development expenses and related overhead or (c) in the form of grants, as well as any expenses or expenditures that we incur that are paid for with such consideration, are excluded for purposes of determining net proceeds.

Under our agreement with Vulcan, we granted Vulcan a security interest in our personal property related to the GPCR program, other than intellectual property, which security interest is junior to any existing or future security interests granted in connection with a financing transaction and which will be automatically released after Vulcan receives $25.0 million under the agreement. We also agreed not to grant any liens on intellectual property related to the GPCR program. The term of our agreement with Vulcan is 35 years, provided that the term will automatically extend until the cumulative net proceeds that we receive from the GPCR program are approximately $1.5 billion.

Under our agreement with LSDF, after LSDF receives $25.0 million, any remaining amounts that would be payable to LSDF will be paid to LSI. Our obligations with respect to LSI are limited to creating LSI's charter documents, incorporating LSI, selecting directors and applying for tax exempt status, all in consultation with LSDF. The term of our agreement with LSDF expires on the six-month anniversary following the last date that we deliver a report related to our incurrence of grant-funded expenses described in the agreement. The term of our payment obligations to LSDF is the same as that under our agreement with Vulcan.

As of December 31, 2015, we have not derived any net proceeds as defined in the Vulcan and LSDF agreements from our GPCR program.

Litigation

In July 2015, we received a Notice Letter from Par Pharmaceutical, Inc. and its subsidiary, Par Sterile Products, LLC, (collectively, Par) stating that Par filed an Abbreviated New Drug Application (ANDA) containing a Paragraph IV Certification under the Hatch-Waxman Act seeking approval from the FDA to market a generic version of OMIDRIA prior to the expiration of three patents listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book) for OMIDRIA (the Orange Book Patents). Following receipt of the Paragraph IV Notice Letter, in September 2015 we filed a patent infringement lawsuit under the Hatch-Waxman Act against Par in the U.S. District Court for the District of New Jersey and in the U.S. District Court for the District of Delaware. Based on our decision to pursue the action in federal court in Delaware, we voluntarily dismissed the complaint filed in the U.S. District Court for the District of New Jersey. The complaint that we filed in the U.S. District Court for the District of Delaware has been served on Par and Par has filed an answer asserting defenses and counterclaims for declaratory judgment of patent invalidity and non-infringement. We intend to seek leave to amend the lawsuit to assert a fourth patent, that issued after Par’s Notice Letter, and which was granted by the U.S. Patent and Trademark Office (USPTO) after the USPTO considered all alleged prior art that was identified by Par in its Paragraph IV Notice Letter. The filing of suit against Par triggered a 30-month stay of the FDA’s approval of Par’s ANDA, which is expected to remain in effect until late January 2018. We have reviewed the assertions in Par’s Paragraph IV Notice Letter and believe they do not have merit, and we intend to prosecute vigorously our patent infringement claims against Par.

In connection with an administrative review by NIH of the grants that were the subject of the Klein lawsuit, we reimbursed the NIH $1.1 million in October 2013. The payment was recorded as selling, general and administrative expense in the accompanying Consolidated Statement of Operations and Comprehensive Loss.
In October 2013, we and our chief executive officer entered into a settlement agreement with our former insurer related to our former insurer’s defense of, and coverage obligations related to, the Klein lawsuit. Per the settlement agreement, we received $12.5 million in October 2013 which we recorded as litigation settlement in the accompanying Consolidated Statements of Operation and Comprehensive Loss. We considered this particular litigation settlement an infrequent item given the nature of the lawsuit and have included the settlement as a separate component of non-operating income.

Note 10—Shareholders’ Equity
Common Stock
As of December 31, 2015, we had reserved shares of common stock for the following purposes:

Options granted and outstanding	8,310,235
Options available for future grant	1,724,987
Common stock warrants	749,250
Total shares reserved	10,784,472

Options Available for Future Grant - On January 1, 2016, an additional 1,785,714 shares became available for future issuance under the 2008 Equity Incentive Plan (the 2008 Plan) in accordance with the annual increase provisions of the 2008 Plan. These additional shares are not included in the table above.
At Market Issuance Sales Agreement - In January 2016, we entered into an At Market Issuance Sales Agreement (the ATM Agreement) with JonesTrading Institutional Services LLC (JonesTrading) pursuant to which we may direct JonesTrading to sell shares of our common stock with an aggregate offering price of up to $100 million directly on The Nasdaq Global Market, through a market maker other than on an exchange or in negotiated transactions. Any sales made under the ATM Agreement are based solely on our instructions and JonesTrading will receive a 1.7% commission from the gross proceeds. The ATM Agreement may be terminated by either party at any time upon 10 days' notice to the other party or by JonesTrading at any time in certain circumstances including the occurrence of a material adverse effect to Omeros.
Securities Offerings - In February 2015, we sold 3.4 million shares of our common stock at a public offering price of $20.03 and sold pre-funded warrants to purchase up to 749,250 shares of our common stock at a public offering price of $20.02 per pre-funded warrant share. The public offering price for the pre-funded warrants was equal to the public offering price of the common stock, less the $0.01 per share exercise price of each pre-funded warrant. After deducting underwriter discounts and offering expenses of $4.9 million, we received net proceeds from the transaction of $79.1 million.
In March 2014, we sold 3.5 million shares of our common stock at a public offering price of $11.50 per share. After deducting underwriter discounts and offering expenses of $2.5 million, we received net proceeds from the transaction of $37.8 million.
In October 2013, we sold 374,000 shares of our common stock with a weighted average price of $13.29 per share under an at-the-market sales agreement and received $4.9 million in net proceeds. The agreement expired in April 2014.
In May 2013, we sold 3.9 million shares of our common stock at a price of $4.14 per share in a registered direct offering. After deducting offering expenses of $39,000, we received net proceeds from the transaction of $16.1 million.
Warrants
The following table summarizes our outstanding pre-funded warrants at December 31, 2015, which have an exercise price of $0.01:

Outstanding At December 31, 2015	Expiration Date	Exercise Price
749,250	February 2, 2022	$0.01

In March 2009, we issued warrants with an exercise price of $12.25 per share to brokers who assisted us in our Series E financing (the Series E Warrants). In March 2013, we extended the expiration dates of the Series E Warrants by one year and in each of March 2014 and September 2014 we extended their expiration by six months. We evaluated the fair value of the Series E Warrants before and after each modification, and we recorded $863,000 and $41,000 change in fair value as other expense in

F-19

the accompanying Consolidated Statement of Operations and Comprehensive Loss for the years ended December 31, 2014 and 2013, respectively.
For the year ending December 31, 2014, Series E Warrants were exercised, through cash and cashless net exercise, resulting in cash proceeds of $68,000 and the issuance of 28,653 shares of our common stock. Additionally, for the year ended December 31, 2015, we received cash proceeds of $1.4 million upon the cash and cashless exercise of Series E Warrants which resulted in the issuance of 133,240 shares of our common stock.

Note 11—Stock-Based Compensation
The 2008 Plan provides for the grant of incentive and non-statutory stock options, restricted stock, stock appreciation rights, performance units and performance shares to employees, directors and consultants and subsidiary corporations' employees and consultants. Options are granted with exercise prices equal to the closing fair market value of the common stock on the date of the grant. The terms of options may not exceed 10 years and options generally vest over a four-year period.
The 2008 Plan also allows any shares returned under our Amended and Restated 1998 Stock Option Plan (the 1998 Plan), as a result of cancellation of options or repurchase of shares issued pursuant to the 1998 Plan, to be issued under the 2008 Plan. In addition, the 2008 Plan provides for annual increases in the number of shares available for issuance thereunder on the first day of each year, equal to the lower of:
- five percent of the outstanding shares of our common stock on the last day of the preceding year;
- 1,785,714 shares; or
- such other amount as our board of directors may determine.

As of December 31, 2015, a total of 10,035,222 shares were reserved for issuance under our stock plans, of which 1,724,987 were available for future grants. On January 1, 2016, an additional 1,785,714 shares became available for future issuance under our 2008 Plan in accordance with the annual increase. In February 2016, approximately 1.3 million shares were granted to employees related to annual performance grants.
Compensation cost for stock options granted to employees and directors is based on the grant-date fair value and is recognized over the vesting period of the applicable option on a straight-line basis. Stock-based compensation expense is based on options ultimately expected to vest, and therefore has been reduced for estimated forfeitures. We estimate forfeitures based on our historical experience; separate groups of employees that have similar historical forfeiture behavior are considered separately for expense recognition.
The fair value of each option grant to employees and directors is estimated on the date of grant using the Black-Scholes option-pricing model. The following assumptions were applied to employee & director stock option grants during the periods ended:

	Year Ended December 31,					
	2015		2014		2013	
Estimated weighted-average fair value	$11.31		$7.39		$6.87	
Weighted-average assumptions:						
Expected volatility	71	%	73	%	88	%
Expected term, in years	6.0		5.8		5.8	
Risk-free interest rate	1.68	%	1.87	%	1.66	%
Expected dividend yield	—	%	—	%	—	%

(A) Expected Volatility. Prior to October 14, 2014 the expected volatility rate used to value stock option grants was based on volatilities of a peer group of similar companies whose share prices were publicly available due to our limited trading history. The peer group was developed based on companies in the pharmaceutical and biotechnology industry in a similar stage of development. As of October 2014, we determined it was appropriate to rely 100% on our own historical realized volatility given our own trading history was roughly equivalent to the average expected term of our options and we do not anticipate future volatility will differ significantly from the past. This change in estimate did not have a material impact on our operating income, net income or earnings per share.

(B)

Expected Term. We elected to utilize the “simplified” method for “plain vanilla” options to determine the expected term of our stock option grants. We will continue to use the simplified method until we have sufficient historical data necessary to provide a reasonable estimate of expected life based on the exercise behavior of our option holders. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option.

(C) Risk-free Interest Rate. The risk-free interest rate assumption was based on zero-coupon U.S. Treasury instruments that had terms consistent with the expected term of our stock option grants.

(D) Expected Dividend Yield. We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future.

Stock options granted to non-employees are accounted for using the fair-value approach. The fair value of non-employee option grants is estimated using the Black-Scholes option-pricing model and are re-measured over the vesting term as earned. The estimated fair value is charged to expense over the applicable service period. During the years ended December 31, 2015, 2014 and 2013, we granted to non-employees options to purchase 4,200 shares, 86,000 shares and 40,000 shares of common stock, respectively.

Stock-based compensation expense includes amortization of stock options granted to employees and non-employees and has been reported in our Consolidated Statements of Operations and Comprehensive Loss as follows:

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Research and development	$4,977	$4,754	$3,588
Selling, general and administrative	4,604	4,164	2,664
Total stock-based compensation expense	$9,581	$8,918	$6,252

In connection with the non-employee options, we recognized expense of $492,000, $289,000 and $71,000 during the years ended December 31, 2015, 2014 and 2013, respectively.

Stock option activity for all stock plans is as follows:

	Options Outstanding	Weighted-Average Exercise Price per Share	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (In thousands)
Balance at December 31, 2014	8,364,469	$7.52		
Granted	350,975	17.90		
Exercised	(277,356)	5.13		
Forfeited and expired	(127,853)	12.36		
Balance at December 31, 2015	8,310,235	$7.97	6.07	$ 65,610
Vested and expected to vest at December 31, 2015	8,096,339	$7.85	6.00	$ 64,731
Exercisable at December 31, 2015	6,217,364	$6.61	5.24	$ 56,757

The total intrinsic value of options exercised during the years ended December 31, 2015, 2014 and 2013 was $3.9 million, $2.9 million and $1.1 million, respectively.

Information about stock options outstanding and exercisable is as follows:

	December 31, 2015				
	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number of Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$0.98-$4.09	1,434,412	1.07	$1.17	1,434,412	$1.17
$4.10-$8.00	1,975,794	5.12	5.25	1,958,011	5.23
$8.01-$11.42	2,735,818	7.17	9.79	2,063,009	9.81
$11.43-$25.00	2,164,211	8.86	12.66	761,932	11.73
$0.98-$25.00	8,310,235	6.07	$7.97	6,217,364	$6.61

At December 31, 2015, there were 2,092,871 unvested options outstanding that will vest over a weighted-average period of 2.1 years. Excluding non-employee stock options, the remaining estimated compensation expense to be recognized in connection with these options is $12.9 million.

Note 12—Income Taxes

We have a history of losses and therefore have made no provision for income taxes. Deferred income taxes reflect the tax effect of net operating loss and tax credit carryforwards and the net temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of deferred tax assets are as follows:

	December 31, 2015	2014
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$110,092	$88,399
Tax credit carryforwards	14,758	9,569
Stock-based compensation	8,136	5,511
Deferred rent	3,324	3,077
Other	2,744	2,084
Total deferred tax assets	139,054	108,640
Less valuation allowance	(139,054)	(108,640)
Net deferred tax assets	$—	$—

As of December 31, 2015 and 2014, we had Federal net operating loss carryforwards of approximately $325.9 million and $264.1 million, respectively, state net operating losses of approximately $30.6 million and $100,000, respectively, and tax credit carryforwards of approximately $14.8 million and $9.6 million, respectively. Approximately $5.9 million of our net operating loss carryforwards relate to tax deductible stock-based compensation in excess of amounts recognized for financial statement purposes. To the extent that net operating loss carryforwards, if realized, relate to stock-based compensation, the resulting tax benefits will be recorded to shareholders' equity, rather than to the results of operations.

In certain circumstances, due to ownership changes, our net operating loss and tax credit carryforwards may be subject to limitations under Section 382 of the Internal Revenue Code. To date, we have not completed a Section 382 study. Unless previously utilized, our net operating loss and research and development tax credit carryforwards expire between 2018 and 2035.

We have established a 100% valuation allowance due to the uncertainty of our ability to generate sufficient taxable income to realize the deferred tax assets. Our valuation allowance increased $30.4 million, $25.8 million and $14.5 million in 2015, 2014 and 2013, respectively, primarily due to net operating losses incurred during these periods.
Reconciliation of income tax computed at Federal statutory rates to the reported provisions for income taxes is as follows:

	Year ended December 31,					
	2015		2014		2013	
Federal statutory tax rate	(34	)%	(34	)%	(34	)%
State tax rates	(2	)%	—	%	—	%
Other permanent differences	1	%	2	%	3	%
Change in valuation allowance	41	%	35	%	36	%
Tax credits	(5	)%	(4	)%	(5	)%
Other	(1	)%	1	%	—	%
Effective tax rate	—	%	—	%	—	%

We file Federal and state income tax returns, which provides varying statutes of limitations on assessments. However, because of net operating loss carryforwards, substantially all of our tax years remain open to federal and state tax examination.
The guidance for accounting for uncertainties in income taxes requires that we recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2015, 2014 and 2013, we maintained an uncertain tax position of $212,000 related to a reduction of our research and development credit deferred tax asset. Further, there were no unrecognized tax benefits that, if recognized, would impact our effective tax rate.
We recognize interest and penalties related to the underpayment of income taxes as a component of income tax expense. To date, there have been no interest or penalties charged to us in relation to the underpayment of income taxes.

Note 13—401(k) Retirement Plan
We have adopted a 401(k) plan. To date, we have not matched employee contributions to the plan. All employees are eligible to participate, provided they meet the requirements of the plan.

Note 14—Quarterly Information (Unaudited)

The following table summarizes the unaudited statements of operations and comprehensive loss for each quarter of 2015 and 2014 (in thousands, except per share amounts):

2015	For the Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
Revenue	$388	$3,187	$3,259	$6,675
Total operating expenses	18,318	19,154	22,560	24,715
Loss from operations	(17,930)	(15,967)	(19,301)	(18,040)
Net loss	(18,669)	(16,680)	(19,921)	(19,826)
Basic and diluted net loss per share	$(0.51)	$(0.44)	$(0.53)	$(0.52)

2014	For the Quarter Ended			
	March 31,	June 30,	September 30,	December 31,
Revenue	$100	$45	$214	$180
Total operating expenses	15,784	17,262	17,346	20,155
Loss from operations	(15,684)	(17,217)	(17,132)	(19,975)
Net loss	(16,642)	(17,991)	(18,327)	(20,713)
Basic and diluted net loss per share	$(0.54)	$(0.53)	$(0.54)	$(0.61)

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date	
3.1	Amended and Restated Articles of Incorporation of Omeros Corporation	10-K	001-34475	3.1	03/31/2010	
3.2	Amended and Restated Bylaws of Omeros Corporation	10-K	001-34475	3.2	03/31/2010	
4.1	Form of Omeros Corporation common stock certificate	S-1/A	333-148572	4.1	10/02/2009	
4.2	Form of Omeros Corporation Pre-Funded Warrant to Purchase Common Stock	8-K	001-34475	4.1	02/02/2015	
10.1*	Form of Indemnification Agreement entered into between Omeros Corporation and its directors and officers	S-1	333-148572	10.1	01/09/2008	
10.2*	Second Amended and Restated 1998 Stock Option Plan	S-1	333-148572	10.2	01/09/2008	
10.3*	Form of Stock Option Agreement under the Second Amended and Restated 1998 Stock Option Plan (that does not permit early exercise)	S-1	333-148572	10.3	01/09/2008	
10.4*	nura, inc. 2003 Stock Plan	S-1	333-148572	10.6	01/09/2008	
10.5*	Form of Stock Option Agreement under the nura, inc. 2003 Stock Plan	S-1	333-148572	10.7	01/09/2008	
10.6*	2008 Equity Incentive Plan	S-1/A	333-148572	10.8	04/01/2008	
10.7*	Form of Stock Option Award Agreement under the 2008 Equity Incentive Plan	10-Q	001-34475	10.2	11/07/2013	
10.8*	Second Amended and Restated Employment Agreement between Omeros Corporation and Gregory A. Demopulos, M.D. dated April 7, 2010	8-K	001-34475	10.1	04/12/2010	
10.9*	Offer Letter between Omeros Corporation and Marcia S. Kelbon, Esq. dated August 16, 2001	S-1	333-148572	10.12	01/09/2008	
10.10*	Technology Transfer Agreement between Omeros Corporation and Gregory A. Demopulos, M.D. dated June 16, 1994	S-1	333-148572	10.14	01/09/2008	

10.11	Technology Transfer Agreement between Omeros Corporation and Pamela Pierce, M.D., Ph.D. dated June 16, 1994	S-1	333-148572	10.15	01/09/2008
10.12*	Second Technology Transfer Agreement between Omeros Corporation and Gregory A. Demopulos, M.D. dated December 11, 2001	S-1	333-148572	10.16	01/09/2008
10.13	Second Technology Transfer Agreement between Omeros Corporation and Pamela Pierce, M.D., Ph.D. dated March 22, 2002	S-1	333-148572	10.17	01/09/2008
10.14*	Technology Transfer Agreement between Omeros Corporation and Gregory A. Demopulos, M.D. dated June 16, 1994 (related to tendon splice technology)	S-1	333-148572	10.18	01/09/2008
10.15	Lease dated January 27, 2012 between Omeros Corporation and BMR-201 Elliott Avenue LLC	8-K	001-34475	10.1	02/01/2012

10.16	First Amendment to Lease dated November 5, 2012 between Omeros Corporation and BMR-201 Elliott Avenue LLC	10-Q	001-34475	10.2	11/09/2012
10.17	Second Amendment to Lease dated November 16, 2012 between Omeros Corporation and BMR-201 Elliott Avenue LLC	10-K	001-34475	10.18	03/18/2013
10.18	Third Amendment to Lease dated October 16, 2013 between Omeros Corporation and BMR-201 Elliott Avenue LLC	10-K	001-34475	10.18	03/13/2014
10.19	Fourth Amendment to Lease dated September 8, 2015 between Omeros Corporation and BMR-201 Elliott Avenue LLC	10-Q	001-34475	10.3	11/09/2015
10.20†	Commercial Supply Agreement between Omeros Corporation and Hospira Worldwide, Inc. dated October 9, 2007	S-1/A	333-148572	10.28	09/16/2009
10.21†	Exclusive License and Sponsored Research Agreement between Omeros Corporation and the University of Leicester dated June 10, 2004	S-1/A	333-148572	10.29	09/16/2009
10.22†	Research and Development Agreement First Amendment between Omeros Corporation and the University of Leicester dated October 1, 2005	S-1	333-148572	10.30	01/09/2008
10.23†	Research and Development Agreement Eighth and Ninth Amendments between Omeros Corporation and the University of Leicester dated March 21, 2012 and September 1, 2013	10-K	001-34475	10.24	03/16/2015
10.24†	Exclusive License and Sponsored Research Agreement between Omeros Corporation and the Medical Research Council dated October 31, 2005	S-1/A	333-148572	10.31	09/16/2009
10.25†	Amendment dated May 8, 2007 to Exclusive License and Sponsored Research Agreement between Omeros Corporation and the Medical Research Council dated October 31, 2005	S-1	333-148572	10.32	01/09/2008
10.26†	Funding Agreement between Omeros Corporation and The Stanley Medical Research Institute dated December 18, 2006	S-1/A	333-148572	10.33	05/15/2009
10.27†	Patent Assignment Agreement between Omeros Corporation and Roberto Ciccocioppo, Ph.D. dated February 23, 2009	S-1/A	333-148572	10.47	09/16/2009

10.28†	First Amendment to Patent Assignment Agreement between Omeros Corporation and Roberto Ciccocioppo, Ph.D. effective December 31, 2010	10-K	001-34475	10.28	03/18/2013
10.29*	Omeros Corporation Non-Employee Director Compensation Policy	S-1/A	333-148572	10.50	09/16/2009
10.30†	License Agreement between Omeros Corporation and Daiichi Sankyo Co., Ltd. (successor-in-interest to Asubio Pharma Co., Ltd.) dated March 3, 2010	10-Q	001-34475	10.1	05/12/2010
10.31†	Amendment No. 1 to License Agreement with an effective date of January 5, 2011 between Omeros Corporation and Daiichi Sankyo Co., Ltd.	10-Q	001-34475	10.1	05/10/2011
10.32†	Amendment No. 2 to License Agreement with an effective date of January 25, 2013 between Omeros Corporation and Daiichi Sankyo Co., Ltd.	10-Q	001-34475	10.1	05/09/2013

10.33†	Exclusive License Agreement between Omeros Corporation and Helion Biotech ApS dated April 20, 2010	10-Q	001-34475	10.2	08/10/2010	
10.34†	Platform Development Funding Agreement between Omeros Corporation and Vulcan Inc. and its affiliate dated October 21, 2010	10-K	001-34475	10.44	03/15/2011	
10.35†	Grant Award Agreement between Omeros Corporation and the Life Sciences Discovery Fund Authority dated October 21, 2010	10-K	001-34475	10.45	03/15/2011	
10.36†	Pharmaceutical Manufacturing and Supply Agreement dated March 5, 2014 by and between Patheon Manufacturing Services, LLC (successor-in-interest to DSM Pharmaceuticals, Inc.) and Omeros Corporation	10-Q	001-34475	10.5	05/12/2014	
10.37†	First Amendment to Pharmaceutical Manufacturing and Supply Agreement between Patheon Manufacturing Services (successor-in-interest to DSM Pharmaceuticals, Inc.) and Omeros Corporation dated July 7, 2015	10-Q	001-34475	10.2	11/09/2015	
10.38†	Master Services Agreement between Omeros Corporation and Ventiv Commercial Services, LLC, made as of May 12, 2014	10-Q	001-34475	10.1	08/11/2014	
10.39†	Project Agreement (Detailing and Sales Operation Services) between Omeros Corporation and Ventiv Commercial Services, LLC, made as of May 12, 2014	10-Q	001-34475	10.2	08/11/2014	
10.40	First Amendment to Project Agreement (Detailing and Sales Operation Services) between Omeros Corporation and Ventiv Commercial Services, LLC, dated June 13, 2014	10-Q	001-34475	10.3	08/11/2014	
10.41†	Second Amendment to Project Agreement (Detailing and Sales Operation Services) between Omeros Corporation and Ventiv Commercial Services, LLC, made as of October 17, 2014	10-K	001-34475	10.45	03/16/2015	
10.42	Project Agreement (Sales Operation Services for Client Sales Teams) between Omeros Corporation and Ventiv Commercial Services, LLC, made as of January 1, 2016					X
10.43†	Commercial Supply Agreement among Omeros Corporation, Hospira S.p.A. and Hospira Worldwide, Inc. dated October 3, 2014	10-K	001-34475	10.46	03/16/2015	
10.44†		10-Q	001-34475	10.1	11/09/2015	

	First Amendment to Commercial Supply Agreement dated August 1, 2015 by and between Omeros Corporation and Hospira Worldwide, Inc.					
10.45†	License Agreement effective as of June 9, 2015 by and between Omeros Corporation, JCB Laboratories, LLC, and Fagron Compounding Services, LLC, d/b/a Fagron Sterile Services	10-Q	001-34475	10.1	08/10/2015	
10.46	At Market Issuance Sales Agreement dated January 6, 2016 between Omeros Corporation and JonesTrading Institutional Services LLC	8-K	001-34475	1.1	01/06/2016	
10.47	Loan and Security Agreement between Omeros and Oxford Finance LLC, as collateral agent and as a lender, and East West Bank, as a lender, dated December 30, 2015	8-K	001-34475	10.1	01/06/2016	
10.48	Form of Secured Promissory Note issued by Omeros to Oxford Finance LLC and to East West Bank, each dated December 30, 2015	8-K	001-34475	10.2	01/06/2016	
12.1	Ratio of Earnings to Fixed Charges					X

23.1	Consent of Independent Registered Public Accounting Firm					X
31.1	Certification of Principal Executive Officer Pursuant to Rule 13-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer Pursuant to Rule 13-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
99.1	Description of Capital Stock	10-K	001-34475	99.1	03/16/2015	
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X

* Indicates management contract or compensatory plan or arrangement.
† Portions of this exhibit are redacted in accordance with a grant of confidential treatment.
†† Portions of this exhibit are redacted in accordance with a request for confidential treatment.