

UNITED THERAPEUTICS Corp
Form 4
March 26, 2015

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
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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 *
ZACCARDELLI DAVID

2. Issuer Name and Ticker or Trading Symbol
**UNITED THERAPEUTICS Corp
[UTHR]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

**C/O UNITED THERAPEUTICS
CORP., 1040 SPRING STREET**

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
03/26/2015

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & Chief Operating Officer

SILVER SPRING, MD 20910

(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	03/26/2015		M ⁽¹⁾	4,000 A	\$ 51.37 5,153	D	
Common Stock	03/26/2015		S ⁽¹⁾	4,000 D	\$ 167.52 1,153	D	

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

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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. Amount or Number of Shares
Share Tracking Award	\$ 51.37	03/26/2015		M ⁽¹⁾	4,000	09/15/2011 09/15/2020	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZACCARDELLI DAVID C/O UNITED THERAPEUTICS CORP. 1040 SPRING STREET SILVER SPRING, MD 20910			EVP & Chief Operating Officer	

Signatures

/s/ John S. Hess, Jr. under Power of Attorney
Date: 03/26/2015

__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) Exercise of a cash-settled share tracking award pursuant to a Rule 10b5-1 trading plan entered into by the reporting person.

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. Three-year employment term, the obligations of Fortissimo to pay the executive's compensation shall immediately cease, and the executive shall be entitled to only the base salary, vacation pay, expense reimbursements and any other sums due to the executive through his or her last day of employment.

Pursuant to Proprietary Rights, Non-Disclosure, Developments, Non-Competition, and Non-Solicitation Agreements between Fortissimo and each executive that will be in effect following the merger, the executive is obligated to keep confidential all of Fortissimo's proprietary information (as defined in the agreement) and to disclose and assign to Fortissimo all inventions, creations, improvements and other developments relating to Fortissimo's business that are created by the executive. These agreements also provide that, for twelve months following the termination of an

executive's employment for any reason (which period is reduced to six months or three months under the employment agreements if such termination is by Fortissimo without cause or by the executive for good reason), the executive may not work for or have more than a 1% interest in any company that competes with Fortissimo, solicit for employment anyone who was an employee or independent contractor of Fortissimo within the prior six months or solicit clients, customers, accounts or prospective clients, customers or accounts of Fortissimo that were contacted, solicited or served by the executive while the executive was employed by Fortissimo.

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Post-Merger Board of Directors of Fortissimo

After the merger, Fortissimo's board of directors will consist of seven directors, of whom three will be selected by Psyop, at least one of whom will be an independent director under applicable SEC and exchange rules; two will be selected by Fortissimo, at least one of whom will be an independent director under applicable SEC and exchange rules; and two will be jointly selected by Psyop and Fortissimo, each of whom will be an independent director under applicable SEC and exchange rules.

Post-Merger Ownership of Fortissimo

As a result of the merger, assuming that no stockholders of Fortissimo elect to convert their Public Shares into cash as permitted by Fortissimo's certificate of incorporation, the Psyop shareholders will own approximately 37% of the shares of Fortissimo common stock to be outstanding immediately after the merger and the other Fortissimo stockholders will own approximately 63% of Fortissimo's outstanding shares of common stock, in each case based on the Fortissimo shares of common stock outstanding as of December 31, 2007. If 19.99% of the Public Shares are converted into cash, such percentages will be approximately 42% and 58%, respectively. The foregoing does not take into account shares that would be issued to Psyop's shareholders upon full or partial achievement of the revenue and EBITDA milestones or the exercise of warrants or shares that would be issued under the equity incentive plan to be adopted in connection with the merger. However, if 19.99% of the Public Shares are converted and thereafter the full earnout consideration is earned, the current Fortissimo shareholders would own only 48% of the total outstanding stock and the Psyop shareholders would own 52%, assuming that no other shares are issued.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits:

<u>Exhibit</u>	<u>Description</u>
10.1	Agreement and Plan of Merger and Interests Purchase Agreement dated as of January 15, 2008 among Fortissimo Acquisition Corp., FAC Acquisition Sub Corp., Psyop, Inc., Psyop Services, LLC, and the shareholders of Psyop (not including exhibits or schedules other than Exhibit A).
10.2	Form of Restricted Stock Agreement
10.3	Form of Lock-Up and Trading Restriction Agreement
10.4	Form of Escrow Agreement
10.5	Form of Employment Agreement
10.6	Form of Proprietary Rights, Non-Disclosure, Developments, Non-Competition, and Non-Solicitation Agreement
99.1	Press release of Fortissimo Acquisition Corp. dated January 15, 2008.
99.2	Certain unaudited condensed financial statements of Psyop, Inc.
99.3	Investor Presentation.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 15, 2008

FORTISSIMO ACQUISITION CORP.

By: /s/ Yuval Cohen

Name: Yuval Cohen

Title: President and Chief Executive Officer

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e through the health insurance plan maintained for all other employees.

Employment Agreements. We maintain written employment agreements with each of our named executive officers that became effective January 1, 2018. The employment agreements have a one-year term from their effective date and are automatically renewable for subsequent one-year terms on each successive anniversary of the effective date unless either party gives notice to the other that they do not wish to renew the agreement, provided such notice is given not less than 60 days prior to expiration. In accordance with the terms of the employment agreements, each named executive officer receives base salary and is eligible for incentive compensation in the form of cash bonuses or equity

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awards. A portion of the short-term incentive compensation earned each year is determined with reference to achievement of certain performance metrics, and the remainder of any incentive compensation earned shall be determined in the discretion of the Compensation Committee, as discussed in the Compensation Discussion and Analysis above. Base salaries may be increased from time to time in the discretion of the Compensation Committee. If we terminate an agreement without cause we would be obligated to pay an amount equal to 12 months' base salary (or 18 months in the case of the chief executive officer) as provided in the agreements.

Change in Control. Pursuant to the terms of these employment agreements, our named executive officers would also be entitled to certain payments in the event their employment is terminated under for a "change in control." In that event, the named executive officer will receive 24 months' base salary plus the prior two years' actual or targeted bonuses as a severance payment under the terms set forth in the agreement.

We presently know of no agreements regarding a change in control of the Company. In the event of a change in control in the future, our named executive officers are entitled to certain compensation benefits as described in "Employment Agreements" above.

Pay Ratio Disclosure

Under Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations promulgated by the SEC, the Company is required to provide the ratio of the annual total compensation of Mr. Reid, who served as the Company's Chief Executive Officer for 2018, to the annual total compensation of the median employee of the Company. The Company (including subsidiaries) currently employs a relatively small number of highly-skilled employees across the U.S. and in Mexico. The Company contracts with an unaffiliated third-party company for most of the workforce that provides services to its Mexican subsidiary company and has excluded those individuals from the pay ratio calculation.

To identify the median employee, the Company relied on its internal payroll data as its consistently applied compensation measure and used December 31 as the measurement date. We collected the payroll data of all U.S. and non-U.S. employees as of the measurement date (which included base salary, bonus, recognized income from equity and other compensation and the Company's matching 401(k) contribution on behalf of the employee) and we annualized the salary and bonus amounts for those full-time, permanent employees that were employed with the Company or its subsidiaries for less than the full fiscal year. For the non-U.S. employees, we used the average exchange rate during fiscal 2018 as the exchange rate applied to compensation paid in foreign currency.

For purposes of providing this ratio, we are required to identify the median employee whose compensation is used to calculate the ratio at least once every three years. We identified a new median employee in 2018 as the growth in our Nevada operations has added significantly to the headcount in the U.S., and we believe these circumstances have a material impact on the determination of the median employee. The median employee of the Company was identified as an exempt, full-time employee located in the U.S. with an annual total compensation of \$118,000 for 2018 calculated in accordance with Item 402(u)(2)(i) of Regulation S-K. Applying the same methodology to Mr. Reid's compensation resulted in annual total compensation of \$1,729,710 for 2018. Based on this information, the ratio of the annual compensation of the Chief Executive Officer to that of the median employee was determined to be 14.6 to 1. We believe this disclosure is a reasonable estimate of our Chief Executive Officer's annual pay compared to our median employee. Because the SEC rules permit companies to use different methodologies, exemptions and estimates for determining median employees and calculating the pay ratio, our pay ratio disclosure may not be comparable to the pay ratio disclosure reported by other companies.

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2018 Grants of Plan-Based Awards

The named executive officers each received an award of stock options and RSUs during 2018 under the Company's 2016 Equity Plan. None of these awards are subject to performance targets and each grant is subject to a vesting schedule. The Company implemented its short-term incentive compensation plan in 2018, pursuant to which the named executive officers received cash awards. As discussed in the Compensation Discussion and Analysis Section above, the Compensation Committee has revised the short-term incentive plan for 2019 which reduces the threshold, target and maximum payouts and the estimated future payout figures included in this table reflect this change. The table below shows certain information regarding plan-based awards to those named executive officers during fiscal 2018:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Plan Incentive Awards			All other stock awards:		All other option awards:		Grant date fair value of stock and option awards (1)
		Threshold (\$)	Target (\$)	Maximum (\$)	Number of shares of stock or units (#)	Number of securities underlying options (#)	Exercise or base price of option awards (\$/sh)	Number of option awards (1)	
(a)	(b)	(c)	(d)	(e)	(i)	(j)	(k)	(l)	
Jason D. Reid	7/14/2018	-	-	-	22,859	56,700	\$ 6.89	\$ 378,232	
	12/7/2018	-	-	-	-	250,000	3.89	542,500	
		31,500	63,000	63,000	-	-	-	-	
John A. Labate	7/14/2018	-	-	-	12,573	31,200	\$ 6.89	\$ 208,089	
		17,325	34,650	34,650	-	-	-	-	
Richard M. Irvine	7/14/2018	-	-	-	11,974	29,700	\$ 6.89	\$ 198,123	
		16,500	33,000	33,000	-	-	-	-	
Barry D. Devlin	7/14/2018	-	-	-	12,573	31,200	\$ 6.89	\$ 208,089	
		17,325	34,650	34,650	-	-	-	-	
Gregory A. Patterson	7/14/2018	-	-	-	6,386	11,400	\$ 6.89	\$ 88,380	
		11,000	22,000	22,000	-	-	-	-	

(1) The amounts shown represent the aggregate fair value of the award calculated as of the grant date in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 16 to the consolidated financial statements dated December 31, 2018 included in our annual report on Form 10 K.

As discussed in the Compensation Discussion and Analysis above, each of the named executive officers received options to purchase our common stock and RSUs in July 2018 as long-term incentive compensation. All of those option awards have an exercise price of \$6.89 per share and expire ten years from the date of grant. Both the stock option awards and the RSUs vest in equal installments over three years, with the options vesting on the anniversary of the date of grant and the RSUs vesting each year on August 15. Mr. Reid received an additional award of 250,000

stock options in December 2018 for recognition of extraordinary performance during the fiscal year as well as retention. These options have an exercise price of \$3.89 per share, vest in three equal tranches on the anniversary of the date of grant and expire ten years from the date of grant.

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Outstanding Equity Awards at 2018 Fiscal Year-End

The following table summarizes the outstanding equity awards of our named executive officers at the fiscal year end December 31, 2018:

		Equity Incentive Plan Awards:			Stock Awards		Equity Incentive Plan Awards:	
		Number of Securities Underlying Unexercised Options			Number of Shares or Units of Stock That Have Not Vested		Number of Unearned Shares, Units or Other Rights That Have Not Vested	
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares Or Units That Have Not Vested (\$)	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	
		0	3.95	4/23/2019	-	-	-	
		0	7.24	9/17/2023	-	-	-	
		0	2.30	9/9/2025	-	-	-	
	(1)	27,000	4.60	7/6/2026	-	-	10,870	(2)
	(3)	29,334	4.11	7/3/2027	-	-	12,166	(4)
	(5)	56,700	6.89	7/14/2028	-	-	22,859	(6)
	(7)	250,000	3.89	12/7/2028	-	-	-	
		0	2.30	9/9/2025	-	-	-	
	(8)	30,000	2.35	3/16/2026	-	-	-	
	(1)	15,000	4.60	7/6/2026	-	-	5,979	(2)
	(3)	16,000	4.11	7/3/2027	-	-	6,691	(4)
	(5)	31,200	6.89	7/14/2028	-	-	12,573	(6)
		0	17.64	8/14/2022	-	-	-	
		0	7.24	9/17/2023	-	-	-	
	(1)	13,667	4.60	7/6/2026	-	-	5,435	(2)
	(3)	14,667	4.11	7/3/2027	-	-	6,083	(4)
	(5)	29,700	6.89	7/14/2028	-	-	11,974	(6)
		0	14.63	1/3/2023	-	-	-	
		0	7.24	9/17/2023	-	-	-	
		0	2.30	9/9/2025	-	-	-	
	(1)	15,000	4.60	7/6/2026	-	-	5,979	(2)
	(3)	16,000	4.11	7/3/2027	-	-	6,691	(4)
	(5)	31,200	6.89	7/14/2028	-	-	12,573	(6)
		0	11.90	6/23/2020	-	-	-	

Explanation of Responses:

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0		0	7.24	9/17/2023	-	-	-	
0		0	2.30	9/9/2025	-	-	-	
9,000	(1)	0	4.60	7/6/2026	-	-	3,624	(2)
10,000	(3)	0	4.11	7/3/2027	-	-	4,056	(4)
11,400	(5)	0	6.89	7/14/2028	-	-	6,386	(6)
0		0	7.24	9/17/2023	-	-	-	
58,334	(1)	0	2.30	9/9/2025	-	-	-	
54,000	(2)	0	4.60	7/6/2026	-	-	21,740	(3)
44,000	(4)	0	4.11	7/3/2027	-	-	18,248	(5)

(1) The award vests as follows: one-third on July 6, 2017, one-third on July 6, 2018 and one-third on July 6, 2019.

(2) The award vests as follows: one-third on or around August 1, 2017, one-third on or around August 1, 2018 and one-third on or around August 1, 2019.

(3) The award vests as follows: one-third on July 3, 2018, one-third on July 3, 2019 and one-third on July 3, 2020.

(4) The award vests as follows: one-third on or around August 15, 2018, one-third on or around August 15, 2019 and one-third on or around August 15, 2020.

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- (5) The award vests as follows: one-third on July 14, 2019, one-third on July 14, 2020 and one-third on July 4, 2021.
- (6) The award vests as follows: one-third on or around August 15, 2019, one-third on or around August 15, 2020 and one-third on or around August 15, 2021.
- (7) The award vests as follows: one-third on or around December 7, 2019, one-third on or around December 7, 2020 and one-third on or around December 7, 2021.
- (8) The award vests as follows: one-third on March 16, 2017, one-third on March 16, 2018 and one-third on March 16, 2019.

2018 Option Exercises and Stock Vested

The following table summarizes the options exercised by our named executive officers during fiscal 2018:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Jason D. Reid	400,000	504,000	16,952	93,873
John A. Labate	60,000	251,185	9,323	51,627
Richard M. Irvine	83,334	248,752	8,476	46,936
Barry D. Devlin	83,333	336,422	9,323	51,627
Gregory A. Patterson	33,333	125,472	5,650	31,287

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Audit Matters

PROPOSAL 3 – RATIFICATION OF INDEPENDENT ACCOUNTANTS

What are you asking
We are asking shareholders to ratify the selection of Plante Moran PLLC as the independent accountants selected to serve as our auditor for 2019.

voting on?

Your Board recommends a vote “FOR” ratification of the appointment of Plante Moran PLLC as the independent public accountants selected to serve as our auditor for 2019

Although ratification is not required by our bylaws or otherwise, the Board is submitting this proposal to the shareholders as a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to recommend another independent auditor. Even if the selection is ratified, the Committee may recommend a different independent auditor at any time during the year if it determines that this would be in the best interests the Company.

Plante Moran has served as our independent accountants since October 1, 2018.

Auditor Review and Engagement Process

The Audit Committee is directly responsible for the appointment, compensation (including approval of the audit fees), retention and oversight of the independent accountants that audit our financial statements and our internal control over financial reporting. The Audit Committee annually reviews the independence and performance of the independent accountants in deciding whether to retain the current firm or engage a different independent accounting firm. In the course of these reviews, the Committee considers, among other things:

- the auditor’s historical and recent performance on the audit, including the results of an internal review of the quality and service provided by the auditor;
- the auditor’s capability and expertise in handling the breadth and complexity of our operations;
- an analysis of the auditor’s known legal risks and any significant legal or regulatory proceedings in which it is involved;
- external data on audit quality and performance including any known Public Company Accounting Oversight Board (PCAOB) reports;
- the appropriateness of the fees for audit and non-audit services, both on an absolute basis and compared to peer firms;
- independence; and
- tenure, including the benefit of institutional knowledge concerning our policies and procedures.

Explanation of Responses:

Change in Independent Accountants

Effective October 1, 2018, EKS&H LLLP (“EKS&H”), the independent registered public accounting firm for the Company, combined with Plante & Moran PLLC (“Plante Moran”). As a result of this transaction, on October 1, 2018, EKS&H resigned as the independent registered public accounting firm for the Company. Concurrent with such resignation, the Company’s Audit Committee approved the engagement of Plante Moran as the new independent registered public accounting firm for the Company.

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The audit reports of EKS&H on the Company's financial statements for the years ended December 31, 2017 and 2016 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the two most recent fiscal years ended December 31, 2017 and 2016 and through the subsequent interim period preceding EKS&H's resignation, there were no disagreements between the Company and EKS&H on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of EKS&H would have caused them to make reference thereto in their reports on the Company's financial statements for such years.

During the two most recent fiscal years ended December 31, 2017 and 2016 and through the subsequent interim period preceding EKS&H's resignation, there were no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

During the two most recent fiscal years ended December 31, 2017 and 2016 and through the subsequent interim period preceding Plante Moran's engagement, the Company did not consult with Plante Moran on either (1) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that may be rendered on the Company's financial statements, and Plante Moran did not provide either a written report or oral advise to the Company that Plante Moran concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (2) any matter that was either the subject of a disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K, or a reportable event, as defined in Item 304(a)(1)(v) of Regulation S-K.

Fees Paid to Independent Accountants

The following table sets forth the fees billed by our principal auditor in 2018 and 2017 for services rendered in connection with our annual audits and quarterly reviews, as well as for any other non-audit services provided by the firm:

	EKS&H/Plante Moran	EKS&H
	2018	2017
Audit Fees	\$ 359,424	\$ 336,179
Audit Related Fees	--	--
Tax Fees	39,700	99,288
All Other Fees	51,000	22,500
Total Fees	\$ 450,124	\$ 457,967

Audit Fees. This category includes fees related to the audit of our annual financial statements; review of financial statements included in our quarterly reports on Form 10 Q; the audit of management's assessment of the effectiveness

as well as the audit of the effectiveness of our internal control over financial reporting included in our Form 10 K as required by Section 404 of the Sarbanes-Oxley Act of 2002; and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements during those fiscal years.

Audit-Related Fees. This category consists of assurance and related services provided by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees."

Tax Fees. This category consists of professional services rendered by the independent registered public accounting firm primarily in connection with our tax compliance activities, including the preparation of tax returns and technical tax advice related to the preparation of tax returns.

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All Other Fees. This category consists of fees for other corporate services that are not included in the other categories of fees.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The independent auditors are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with such pre-approval.

During fiscal 2018, the Audit Committee approved in advance all audit and non-audit services to be provided by EKS&H and Plante Moran. The Audit Committee has determined that the non-audit services rendered by EKS&H and Plante Moran during fiscal 2018 and 2017 were compatible with maintaining the independence of the respective independent registered public accounting firms.

Auditor Independence

In addition to the limitations on non-audit services, we periodically review our relationship with the independent auditors to ensure it meets the standards for independence. During its tenure with us, neither Plante Moran nor any of its respective members or associates, had any financial interest in the business or affairs, direct or indirect, or any relationship with us other than in connection with its duties as our independent auditors.

We expect representatives of Plante Moran to attend the 2019 Annual Meeting to be available to answer questions and make a statement if they wish.

Shareholder Proposals

We are not aware of any shareholder proposals for the 2019 Annual Meeting. We anticipate that the next annual meeting of shareholders will be held in June 2020. Any shareholder who desires to submit a proper proposal for inclusion in the proxy materials related to the next annual meeting of shareholders must do so in writing in accordance with Rule 14a-8 of the 1934 Act, and it must be received at our principal executive offices no later than December 31, 2019 in order to be considered for inclusion in the proxy statement for the 2020 annual meeting of shareholders. Shareholders who intend to nominate a director at the 2020 annual meeting of shareholders without including such proposal in the 2020 proxy statement must provide us with notice of such proposal no later than 90 days before the date of the annual meeting, or within 20 days from any announcement of the annual meeting details, if such announcement is made within 90 days or less from the date of the meeting. Shareholders who intend to present any other proposals without including such proposal in the 2020 proxy statement must provide notice to us of such proposal no later than March 20, 2020. For proposals sought to be included in our proxy statement, the proponent must be a record or beneficial owner entitled to vote on such proposal at the next annual meeting and must continue to own such security entitling such right to vote through the date on which the meeting is held.

Explanation of Responses:

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Voting and Meeting Information

PROXY SOLICITATION AND DOCUMENT REQUEST INFORMATION

How We Will Solicit Proxies

Proxies will be solicited on behalf of the Board by mail, telephone, other electronic means or in person, and we will pay the solicitation costs, if any. We may use the services of our directors, officers, employees and contractors to solicit proxies, personally or by telephone, but at no additional salary or compensation. We will also request banks, brokers and others who hold our common stock in nominee names to distribute proxy soliciting materials to beneficial owners and will reimburse these institutions for their reasonable out-of-pocket expenses.

The cost of the meeting, including the cost of preparing and mailing the meeting materials, will be borne by us.

How We Use the E-Proxy Process (Notice & Access)

Since 2012, we have distributed proxy materials to certain of our shareowners over the Internet by sending them a Notice of Internet Availability of Proxy Materials that explains how to access our proxy materials and vote online. Many other companies have transitioned to this more contemporary way of distributing annual meeting materials. This “e-proxy” process, which was approved by the SEC in 2007, expedites our shareholders’ receipt of these materials, lowers the costs of proxy solicitation and reduces the environmental impact of our annual meeting.

If you received a Notice and would like us to send you a printed copy of our proxy materials, please follow the instructions included in your Notice or visit the applicable online voting website and request printed materials to be mailed at no cost to you.

If you received printed materials and would like to sign up to receive proxy materials electronically in the future, you may do so by following the instructions below.

- If you are a record holder (your shares are registered in your name with our transfer agent, Computershare) and you would like to receive future proxy materials electronically, please visit <http://www.proxyvote.com> and follow the instructions provided there to request electronic delivery. If you choose this option, you will receive an e-mail with links to access the materials and vote your shares, and your choice will remain in effect until you notify us that you wish to resume mail delivery of these documents.
- If you are a beneficial owner (you hold your shares through a bank, broker or other intermediary) and you would like to receive future proxy materials electronically, please refer to the information provided by the intermediary for instructions on how to elect this option.

How Documents Will Be Delivered to Beneficial Owners Who Share an Address (Householding of Proxy Materials)

If you are the beneficial owner, but not the record holder, of shares of the Company’s stock, and you share an address with other beneficial owners, your broker, bank or other institution is permitted to deliver a single copy of this proxy statement and our 2017 annual report for all shareholders at your address, unless a shareholder has asked the nominee for separate copies. This process, which is commonly referred to as “householding,” potentially means extra convenience for shareholders and cost savings for companies.

- To receive separate copies: If you would like to receive a separate copy of this proxy statement and our 2017 annual report, or the materials for future meetings, you should notify your broker to discontinue householding and direct your written request to receive a separate notice, proxy statement and annual report to Gold Resource

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Corporation, Attention: Investor Relations, 2886 Carriage Manor Point, Colorado Springs, Colorado, 80906 or by calling (303) 320 7708, and we will promptly deliver them to you.

To stop receiving separate copies: If you currently receive separate copies of these materials and wish to receive a single copy in the future, you will need to contact your broker, bank or other institution to request householding of these materials.

How Shareholders Can Request Copies of Our Annual Report

Upon request we will furnish to any shareholder without charge a copy of our annual report on Form 10 K. The annual report on Form 10 K includes a list of all exhibits thereto. We will furnish copies of such exhibits upon written request and payment of our reasonable expenses in so furnishing the exhibits. Each such request by a beneficial owner of our shares must include a good faith representation that, as of the record date, the person requesting was a beneficial owner of Gold Resource Corporation common stock entitled to vote at the annual meeting of shareholders. You may request a copy by writing to Jessica Browne, Corporate Secretary, c/o Gold Resource Corporation, 2886 Carriage Manor Point, Colorado Springs, CO 80906 or calling (303) 320 7708.

VOTING INFORMATION

Who May Vote

The Board of Directors has fixed the close of business on April 15, 2019 as the record date for the determination of shareholders entitled to notice of, and to vote at the meeting. Only shareholders of record of our common stock at the close of business on that date are entitled to notice of, and to vote at the annual meeting.

A list of shareholders entitled to vote at the annual meeting will be available for examination by any shareholder beginning May 3, 2019 at our principal executive offices and at the annual meeting as required by Colorado law.

How You Can Vote Before the Meeting

We encourage shareholders to submit their votes in advance of the meeting. You can ensure that your shares are voted at the meeting by submitting your proxy by touch-tone telephone at (800) 690 6903 or the Internet at www.proxyvote.com (following the instructions on your proxy card, voting instruction form or Notice of Internet Availability of Proxy Materials). Or, if you received your materials by mail, you can also complete and return the proxy or voting instruction form in the envelope provided. If you vote in advance using one of these methods, you may still attend and vote at the meeting.

How You Can Vote in Person at the Meeting

Shareholders who attend the meeting in person may also vote at the annual meeting or may execute a proxy designating a representative to vote for them at the meeting.

- If you are a record holder (you hold your shares directly in your name with the Company's transfer agent) you may cast a ballot provided at the meeting (please be prepared to present a picture ID at the meeting to determine voting eligibility).
- If you are a beneficial owner (you hold your shares through a bank, broker or other intermediary) you must obtain a proxy from that institution in advance of the meeting and bring it with you to hand in along with the ballot that you cast at the meeting.

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How You Can Change Your Vote

You may change your vote by revoking your proxy at any time before it is exercised, which can be done by delivering written notice of revocation to us, by delivering a new proxy bearing a later date, or by voting in person at the meeting. (Presence at the meeting by a shareholder who has submitted a proxy does not in itself revoke the proxy.) If you are the beneficial owner of shares held for you in a brokerage, bank or other institutional account, you must contact that institution to revoke a previously authorized proxy.

How Many Securities Are Entitled to Vote

Our voting securities consist of our \$0.001 par value common stock. As of the record date, there were 61,522,813 shares of common stock outstanding. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on. Treasury shares are not voted.

Voting Standards and Board Recommendations

Other than the matters identified below we know of no additional matters to be brought before the meeting:

VOTING ITEM	VOTING STANDARD	TREATMENT OF ABSTENTIONS & BROKER NON-VOTES	BOARD RECOMMENDATION
Election of directors	Plurality	Not counted as votes cast and therefore no effect	FOR
Advisory vote on executive compensation	Majority of votes cast	Not counted as votes cast and therefore no effect	FOR
Ratification of auditors*	Majority of votes cast	Not counted as votes cast and therefore no effect	FOR

*Routine Proposal

Quorum. A quorum is the minimum number of shares that must be present at the annual meeting in order for us to be able to legally conduct business. A quorum for a matter will exist if a majority of the shares of common stock issued and outstanding and entitled to vote as of the record date are present in person or represented by proxy at the annual meeting. For purposes of determining the presence of a quorum for a matter, shares present at the annual meeting that are not voted, such as abstentions and “broker non-votes,” will be treated as shares that are present at the meeting. If a quorum is not present in person or by proxy at the meeting, or if fewer shares are present in person or by proxy than the minimum required to take action with respect to any proposal presented at the meeting, the chairman of the meeting or the shareholders entitled to vote at such meeting, present in person or by proxy, have the power to adjourn the meeting to a later date until a quorum is obtained.

Broker Non-Votes. Broker non-votes occur when a bank or broker has not received directions from its customer and does not have the discretionary authority to vote the customer’s shares that are present at the meeting. Brokers are only permitted to exercise discretion and vote on “routine proposals” (such as ratification of the independent auditor) without instructions from their clients.

We Have a Plurality Voting Standard for Director Elections. The four nominees for director receiving the greatest number of votes cast at the meeting in person or by proxy will be elected. You may vote "FOR" one or more of the nominees or you may vote "WITHHOLD" for one or more of the nominees. You may not cumulate your votes for the election of directors. Proxies cannot be voted for a greater number of directors than the number of nominees in the proxy statement.

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How Proxies Will Be Voted

Proxies Will be Voted as Specified or as Recommended by the Board. The shares represented by all valid proxies that are received on time will be voted as specified. When a valid proxy form is received but it does not indicate specific choices, the shares represented by that proxy will be voted in accordance with the Board's recommendations (in this case, "FOR" each director nominee and proposal).

What Happens if Other Matters are Properly Presented at the Meeting? If any matter not described in this proxy statement is properly presented for a vote at the meeting, the persons named on the proxy form will vote in accordance with their judgment.

What Happens if a Director Nominee is Unable to Serve? We do not know of any reason why any nominee would be unable to serve as a director. If any nominee is unable to serve, the Board can either nominate a different individual or reduce the Board's size. If it nominates a different individual, the shares represented by all valid proxies will be voted for that nominee.

ATTENDING THE MEETING

WHEN: June 20, 2019
8:00 a.m. Mountain Time

WHERE: Embassy Suites Hotel
10250 E. Costilla Avenue, Centennial, CO 80112

We invite all Gold Resource Corporation shareholders to attend the 2019 Annual Meeting. Your attendance in person at the meeting does not automatically revoke a proxy previously submitted by you and we encourage shareholders to cast their votes by proxy even if they intend to attend the meeting. Shareholders wishing to vote in person at the Annual Meeting must follow the instructions for voting in person discussed on page 26.

WHERE YOU CAN FIND ADDITIONAL INFORMATION ABOUT US

The principal executive office of our Company is located at 2886 Carriage Manor Point, Colorado Springs, CO 80906. Our telephone number at this address is (303) 320 7708. Our common stock is traded on the NYSE American under the symbol "GORO."

We file annual reports on Form 10 K, quarterly reports on Form 10 Q, current reports on Form 8 K and other information with the SEC. As an electronic filer, our public filings are maintained on the SEC's internet site that contains reports, proxy statements, and other information regarding issuers that file electronically with the SEC. The address of that website is <http://www.sec.gov>.

Our annual report for the year ended December 31, 2018, including financial statements and schedules, is included with this proxy statement.

We maintain a company website at www.goldresourcecorp.com from which you can alternatively access the reports we file with the SEC. Our committee charters and other important corporate governance documents are also available on our website.

Explanation of Responses:

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INCORPORATION BY REFERENCE

To the extent that this Proxy Statement is incorporated by reference into any other filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, the sections of this Proxy Statement entitled “Compensation Committee Report” and “Audit Committee Report” (to the extent permitted by SEC rules) will not be deemed incorporated, unless specifically provided otherwise in such filing.

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If you would like to reduce the costs incurred by our company in mailing proxy materials, Use any touch-tone telephone to transmit your voting instructions up until 11:59 proxy card in hand when you call and then follow the instructions. John Sample 234567 VOTE BY MAIL 1234567 123,456,789,012.12345 TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. For All Withhold All For All Except To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the The Board of Directors recommends you vote FOR the following: nominee(s) on the line below. 0 0 0 1. Election of Directors Nominees 01 Bill M. Conrad 02 Jason D. Reid 03 Alex G. Morrison 04 Kimberly C. Perry The Board of Directors recommends you vote FOR proposals 2. and 3. 2. Advisory vote to approve executive compensation. For 0 0 Against 0 0 Abstain 0 0 3. Ratify Plante Moran PLLC as independent registered accounting firm for 2019. NOTE: Other Business: To transact such other business as may properly come before the meeting or any adjournment thereof. Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date 02 0000000000 1 OF 1 1 2 0000422701_1 R1.0.1.18 SHARES CUSIP # JOB #SEQUENCE # VOTE BY INTERNET - www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE - 1-800-690-6903 P.M. Eastern Time the day before the cut-off date or meeting date. Have your 234567 1234567 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. NAME THE COMPANY NAME INC. - COMMON THE COMPANY NAME INC. - CLASS A THE COMPANY NAME INC. - CLASS B THE COMPANY NAME INC. - CLASS C THE COMPANY NAME INC. - CLASS D THE COMPANY NAME INC. - CLASS E THE COMPANY NAME INC. - CLASS F THE COMPAN Y NAME INC. - 401 K CONTROL # SHARES123,456,789,012.12345 123,456,789,012.12345 123,456,789,012.12345 123,456,789,012.12345 123,456,789,012.12345 123,456,789,012.12345 123,456,789,012.12345 x PAGE1 OF 2 GOLD RESOURCE CORPORATION 2886 CARRIAGE MANOR POINT COLORADO SPRINGS, CO 80906 Investor Address Line 1 Investor Address Line 2 Investor Address Line 3 Investor Address Line 4 Investor Address Line 5 8 8 8 1 1234 ANYWHERE STREET ANY CITY, ON A1A 1A1 234567 234567 234567

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report, Notice & Proxy Statement is/ are available at www.proxyvote.com GOLD RESOURCE CORPORATION Annual Meeting of Shareholders June 20, 2019 8:00 AM This proxy is solicited by the Board of Directors Bill Conrad or Jason Reid, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Gold Resource Corporation to be held on June 20, 2019 or at any postponement or adjournment thereof. Shares represented by this proxy will be voted as directed by the shareholder. If no such directions are indicated, the Proxies will have authority to vote FOR all nominees and FOR Proposals 2 and 3. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting. Continued and to be signed on reverse side 0000422701_2 R1.0.1.18
