

TANDEM DIABETES CARE INC
Form DEF 14A
April 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

(Name of Registrant as Specified In Its Charter)

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Notice of Annual Meeting of Stockholders to be Held June 14, 2018

Dear Stockholders:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders of Tandem Diabetes Care, Inc., or the Annual Meeting, which will be held at our principal corporate office, located at 11075 Roselle Street, San Diego, California 92121, on Thursday, June 14, 2018, at 3:00 p.m., local time.

We are holding the Annual Meeting for the following purposes, as more fully described in the accompanying Proxy Statement:

1. To elect two Class II directors for a three-year term to expire at the 2021 annual meeting of stockholders.
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.
3. To approve an amendment to our Amended and Restated Certificate of Incorporation, or our Charter, to increase the total number of authorized shares of our Common Stock, par value \$0.001 per share, or our Common Stock, by 100,000,000 shares, or from 100,000,000 shares to 200,000,000 shares.
4. To approve amendments to our 2013 Stock Incentive Plan, or our 2013 Plan, to, among other things: (i) increase the number of shares of our Common Stock reserved under our 2013 Plan by 5,500,000 shares, (ii) remove the evergreen provisions, and (iii) increase the number of options that are awarded automatically to our non-employee directors pursuant to our director compensation program.
5. To approve amendments to our 2013 Employee Stock Purchase Plan, or our ESPP, to, among other things: (i) increase the number of shares of our Common Stock reserved under our ESPP by 2,000,000 shares and (ii) remove the evergreen provisions.
6. To transact such other business as may properly be brought before the Annual Meeting, or at any adjournment or postponement thereof.

All of our stockholders of record as of April 19, 2018 are entitled to attend and vote at the Annual Meeting, or at any adjournment or postponement thereof.

Our board of directors recommends that you vote FOR the election of each of the director nominees named in Proposal 1; FOR the ratification of the appointment of our independent registered public accounting firm, as provided in Proposal 2; FOR the amendment to our Charter, as provided in Proposal 3; FOR the amendments to our 2013 Plan, as provided in Proposal 4; and FOR the amendments to our ESPP, as provided in Proposal 5.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read the accompanying Proxy Statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, and the response to the question entitled "How can I vote my shares?" in the accompanying Proxy Statement. If you requested to receive printed proxy materials, you may also refer to the instructions on the proxy card enclosed with those materials.

By Order of the Board of Directors

Sincerely,

Kim D. Blickenstaff

President and Chief Executive Officer

San Diego, California

Approximate Date of Mailing of Notice of Internet Availability of Proxy Materials: May 2, 2018

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PROXY STATEMENT FOR THE

2018 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON JUNE 14, 2018

The board of directors of Tandem Diabetes Care, Inc. is soliciting proxies for use at our 2018 annual meeting of stockholders, or the Annual Meeting, to be held on Thursday, June 14, 2018, at 3:00 p.m., local time and at any adjournment or postponement thereof. The Annual Meeting will be held at our principal corporate office located at 11075 Roselle Street, San Diego, California 92121. Tandem Diabetes Care, Inc. is sometimes referred to herein as “we”, “us”, “our” or the “Company.”

Unless otherwise stated in this Proxy Statement, all share amounts, exercise prices and other amounts set forth herein have been adjusted for the impact of the 1-for-10 reverse stock split of our Common Stock, par value \$0.001 per share, or our Common Stock, that became effective on October 9, 2017.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

The following questions and answers are intended to briefly address potential questions that our stockholders may have regarding this Proxy Statement and the Annual Meeting. They are also intended to provide our stockholders with certain information that is required to be provided under the rules and regulations of the Securities and Exchange Commission, or the SEC. These questions and answers may not address all of the questions that are important to you as a stockholder. If you have additional questions about this Proxy Statement or the Annual Meeting, please see the response to the question entitled “Whom should I contact with other questions?” below.

Q: What is the purpose of the Annual Meeting?

A: At the Annual Meeting, our stockholders will be asked to consider and vote upon the matters described in this Proxy Statement and in the accompanying Notice of Annual Meeting of Stockholders, and any other matters that may properly be brought before the Annual Meeting, or at any adjournment or postponement thereof.

Q: When and where will the Annual Meeting be held?

A: You are invited to attend the Annual Meeting on June 14, 2018, at 3:00 p.m., local time. The Annual Meeting will be held at our principal corporate office located at 11075 Roselle Street, San Diego, California 92121.

Q: Why did I receive these proxy materials?

A: We are making these proxy materials available in connection with the solicitation by our board of directors of proxies to be voted at the Annual Meeting, and at any adjournment or postponement thereof. Your proxy is being solicited in connection with the Annual Meeting because you owned our Common Stock at the close of business on April 19, 2018, which is the record date for the Annual Meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. You are invited to attend the Annual Meeting in person to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares as described in the response to the question entitled “How can I vote my shares?” below and as described elsewhere in this Proxy Statement.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible.

Q: Why did I receive a notice in the mail regarding the Internet availability of proxy materials?

A: Instead of mailing printed copies of our proxy materials to our stockholders, we have elected to provide access to them through the Internet under the SEC's "notice and access" rules. Accordingly, on or about May 2, 2018, we mailed a Notice of Internet Availability of Proxy Materials, or a Notice, to each of our stockholders. The Notice contains instructions on how to access our proxy materials, including this Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, or the Annual Report, each of which are available at www.astproxyportal.com/ast/21769. The Notice also provides instructions on how to vote your shares through the Internet, by telephone, or by mail.

We believe compliance with the SEC's "notice and access" rules will allow us to provide our stockholders with the materials they need to make informed decisions, while lowering the costs of printing and delivering those materials and reducing the environmental impact of the Annual Meeting. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice or refer to the section entitled "Stockholders Sharing the Same Address" below for additional information.

Q: What proposals will be voted on at the Annual Meeting?

A: The proposals to be voted on at the Annual Meeting, and our board of directors' voting recommendations with respect to each proposal, are as follows:

Proposal	Board's Voting Recommendation
1. Election of Directors (Proposal 1): The election of two Class II directors to serve a three-year term. Based upon the recommendation of our nominating and corporate governance committee, our board of directors has nominated and recommends for re-election as Class II directors each of the following persons: Dick P. Allen Edward L. Cahill	FOR
2. Ratification of the Appointment of Independent Registered Public Accounting Firm (Proposal 2): The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.	FOR
3. Amendment to our Charter to Increase the Authorized Shares of our Common Stock (Proposal 3): The approval of an amendment to our Amended and Restated Certificate of Incorporation, or our Charter, to increase the total number of authorized shares of our Common Stock by 100,000,000 shares, or from 100,000,000 shares to 200,000,000 shares.	FOR
4. Amendments to our 2013 Plan (Proposal 4): To approve amendments to our 2013 Stock Incentive Plan, or our 2013 Plan, to, among other things: (i) increase the number of shares of our Common Stock reserved under our 2013 Plan by 5,500,000 shares, (ii) remove the evergreen provisions, and	FOR

(iii) increase the number of options that are awarded automatically to our non-employee directors pursuant to our director compensation program.

5. Amendments to our ESPP (Proposal 5): To approve amendments to our 2013 Employee Stock Purchase Plan, or our ESPP, to, among other things: (i) increase the number of shares of our Common Stock reserved under our ESPP by 2,000,000 shares and (ii) remove the evergreen provisions. FOR

We will also consider such other business as may properly be brought before the Annual Meeting, or at any adjournment or postponement thereof. As of the record date, we are not aware of any other matters to be submitted by our stockholders for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons named on the enclosed proxy card will vote the shares they represent using their best judgment. Kim D. Blickenstaff and Leigh A. Vosseller, the designated proxy holders, are members of our management.

Q: Who may vote at the Annual Meeting?

A: If you owned our Common Stock on April 19, 2018, the record date for the Annual Meeting, your shares are eligible to be voted, in person or by proxy, at the Annual Meeting. Each stockholder is entitled to one vote for each share of Common Stock held on all matters to be voted on. On the record date, there were 50,056,360 shares of our Common Stock outstanding and entitled to vote at the Annual Meeting. Please see the response to the question entitled “May I vote my shares in person at the Annual Meeting?” below for additional information.

Q: What is the quorum requirement for the Annual Meeting?

A: We need a quorum of stockholders in order to hold the Annual Meeting. A quorum exists when at least a majority of the outstanding shares of our Common Stock entitled to vote as of the record date, or 25,028,181 shares, are present in person or represented by proxy at the Annual Meeting. If a quorum is not present, the Annual Meeting may be adjourned by the Chairman of the meeting or by the vote of a majority of the shares present in person or represented by proxy at the Annual Meeting, in accordance with our bylaws and applicable law, to permit further solicitation of proxies.

Q: What vote is required to approve each proposal?

A: Election of Directors (Proposal 1): Directors will be elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors at the Annual Meeting, so the two nominees for Class II director who receive the most “FOR” votes will be elected.

Ratification of the Appointment of Independent Registered Public Accounting Firm (Proposal 2): The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting.

Amendment to our Charter to Increase the Authorized Shares of our Common Stock (Proposal 3): The approval of an amendment to our Charter requires the affirmative vote of a majority of the outstanding shares of our Common Stock entitled to vote on the proposal at the Annual Meeting.

Amendments to our 2013 Plan (Proposal 4): The approval of the amendments to our 2013 Plan requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting.

Amendments to our ESPP (Proposal 5): The approval of the amendments to our ESPP requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting.

Q: What is the difference between a “stockholder of record” and a “beneficial owner”?

A: You are considered to be a stockholder of record if your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, on the record date. If, however, your shares are held in a brokerage account or by a bank, broker or other nominee, and not in your name, you are considered to be the “beneficial owner” of shares held in “street name”.

Q: May I vote my shares in person at the Annual Meeting?

A: If you are the stockholder of record, you have the right to vote in person at the Annual Meeting. When you arrive at the Annual Meeting, you may request a ballot.

If you are the beneficial owner of shares held in street name, you are welcome to attend the Annual Meeting, but you may not vote your shares in person at the Annual Meeting unless you bring with you a proxy from the bank, broker or other nominee that holds your shares, which provides you the right to vote at the Annual Meeting.

Admission to the Annual Meeting will be on a first-come, first-served basis. You should be prepared to present government-issued photo identification for admittance, such as a passport or driver's license and, if you are the beneficial owner of the shares held in street name, evidence of your ownership of such shares. Please note that for security reasons, you and your bags may be subject to search prior to your admittance to the Annual Meeting. If you do not comply with these requirements, and any other instructions given by representatives of the Company at the Annual Meeting, you will not be admitted to the Annual Meeting.

Q: What happens if I do not give specific voting instructions?

A: If you are a stockholder of record and you indicate when voting that you wish to vote as recommended by our board of directors, or if you sign and return a proxy card without giving specific voting instructions, then the proxy holders will vote your shares as recommended by our board of directors on all matters presented in this Proxy Statement, and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

If you are a beneficial owner of shares held in street name and do not provide the nominee that holds your shares with specific voting instructions, the nominee may generally vote in its discretion on “routine” matters. However, if the nominee that holds your shares does not receive instructions from you on how to vote your shares on a “non-routine” matter, it will be unable to vote your shares on that matter. When this occurs, it is generally referred to as a “broker non-vote.”

Please see the responses to the questions entitled “Which proposals in this Proxy Statement are considered ‘routine’ or ‘non-routine’ matters?” and “What is the effect of abstentions, withheld votes and broker non-votes?” below for additional information.

Q: Which proposals in this Proxy Statement are considered “routine” or “non-routine” matters?

A: The election of directors (Proposal 1) is considered a non-routine matter under applicable rules. As a result, a broker or other nominee may not vote without instructions on this matter, so there may be broker non-votes in connection with Proposal 1.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2) is considered a routine matter under applicable rules. A bank, broker or other nominee may generally vote without instructions on this matter, so we do not expect any broker non-votes in connection with Proposal 2.

The approval of the amendment to our Charter (Proposal 3) is considered a non-routine matter under applicable rules. As a result, a broker or other nominee may not vote without instructions on this matter, so there may be broker non-votes in connection with Proposal 3.

The approval of the amendments to our 2013 Plan (Proposal 4) is considered a non-routine matter under applicable rules. As a result, a broker or other nominee may not vote without instructions on this matter, so there may be broker non-votes in connection with Proposal 4.

The approval of the amendments to our ESPP (Proposal 5) is considered a non-routine matter under applicable rules. As a result, a broker or other nominee may not vote without instructions on this matter, so there may be broker non-votes in connection with Proposal 5.

Q: What is the effect of abstentions, withheld votes and broker non-votes?

A: Shares held by persons attending the Annual Meeting but not voting, and shares represented by proxies that reflect abstentions or withheld votes as to a particular proposal, will be counted as present at the Annual Meeting for purposes of determining the presence of a quorum. Abstentions and withheld votes are generally treated as shares present in person or represented by proxy and entitled to vote at the Annual Meeting.

The election of directors (Proposal 1) will be determined by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors at the Annual Meeting, so withheld votes with

respect to this proposal will not have an effect on the outcome of this vote.

•The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2) requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting, so abstentions on this proposal will have the same effect as a vote against this proposal. Banks, brokers, and other nominees holding shares for beneficial owners that do not receive voting instructions from the beneficial owners regarding the voting of these shares may, in their discretion, vote in favor of this proposal.

•The approval of the amendment to our Charter (Proposal 3) requires the affirmative vote of a majority of the outstanding shares of our Common Stock entitled to vote on this proposal at the Annual Meeting, so abstentions on this proposal will have the same effect as a vote against this proposal.

•The approval of the amendments to our 2013 Plan (Proposal 4) requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting, so abstentions on this proposal will have the same effect as a vote against this proposal.

•The approval of the amendments to our ESPP (Proposal 5) requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting, so abstentions on this proposal will have the same effect as a vote against this proposal.

A broker non-vote occurs when a bank, broker or other nominee holding shares for a beneficial owner has not received instructions from the beneficial owner regarding the voting of the shares and does not have discretionary authority to vote the shares for certain non-routine matters. Shares represented by proxies that reflect a broker non-vote will be counted for purposes of determining the presence of a quorum.

•The election of directors (Proposal 1) is considered a non-routine matter and broker non-votes, if any, will not be counted as votes cast on this proposal and will have no effect on the result of the vote on this proposal.

•The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2) is considered a routine matter on which a bank, broker or other nominee generally has discretionary authority to vote, so we do not expect any broker non-votes in connection with this proposal.

•The approval of the amendment to our Charter (Proposal 3) is considered a non-routine matter and broker non-votes, if any, will have the same effect as a vote against this proposal.

•The approval of the amendments to our 2013 Plan (Proposal 4) is considered a non-routine matter and broker non-votes, if any, will have no effect on the result of the vote on this proposal.

•The approval of the amendments to our ESPP (Proposal 5) is considered a non-routine matter and broker non-votes, if any, will have no effect on the result of the vote on this proposal.

Q: How can I vote my shares?

A: With respect to the election of directors (Proposal 1), you may either vote “For” all of the director nominees or you may “Withhold” your vote for all of the director nominees or for any particular nominee that you specify.

With respect to the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2), you may vote “For” or “Against” the proposal, or you may abstain from voting.

With respect to the approval of the amendment to our Charter (Proposal 3), you may vote “For” or “Against” the proposal, or you may abstain from voting.

With respect to the approval of the amendments to our 2013 Plan (Proposal 4), you may vote “For” or “Against” the proposal, or you may abstain from voting.

With respect to the approval of the amendments to our ESPP (Proposal 5), you may vote “For” or “Against” the proposal, or you may abstain from voting.

The procedures for voting are as follows:

Stockholder of Record

If you are a stockholder of record, you may vote in person at the Annual Meeting. Alternatively, you may vote by proxy through the Internet, by phone or by mail as described below. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. If you have already voted by proxy, you may still attend the Annual Meeting and vote in person, and your vote at the Annual Meeting will have the effect of revoking your proxy. Please see the response to the question entitled “How may I revoke or change my vote after submitting my proxy?” below for additional information.

•To vote in person, please attend the Annual Meeting and request a ballot when you arrive.

•To vote through the Internet, go to www.voteproxy.com and follow the instructions provided on the website. In order to cast your vote, you will be asked to provide the control number from the Notice or, if you requested to receive printed proxy materials, the control number from the proxy card that was mailed to you. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on June 13, 2018. Our Internet voting procedures

are designed to authenticate stockholders by using individual control numbers, which are located on the Notice. To vote by phone, call toll-free 1-800-PROXIES (1-800-776-9437) if calling from the United States, or 1-718-921-8500 if calling from foreign countries, from any touch-tone telephone and follow the instructions. In order to cast your vote, you will be asked to provide the control number from the Notice or, if you requested to receive printed proxy materials, the proxy card mailed to you. Telephonic voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on June 13, 2018. Our telephonic voting procedures are designed to authenticate stockholders by using individual control numbers, which are located on the Notice.

To vote by mail using a proxy card, you must request to receive printed proxy materials by following the instructions included in the Notice. The proxy card will be provided with the printed proxy materials. Once received, simply complete, sign and date the proxy card and return it promptly in the envelope provided.

Beneficial Owner

If you are a beneficial owner of shares registered in the name of your bank, broker or other nominee, you should have received a Notice or a proxy card and voting instructions with these proxy materials from that organization rather than from us. To vote your shares, simply follow the instructions provided to you. To vote in person at the Annual Meeting, you must obtain a valid proxy from your bank, broker or other nominee.

Q: How may I revoke or change my vote after submitting my proxy?

A: You may revoke your proxy or change your vote at any time before the final vote at the Annual Meeting. The procedures for revoking your proxy or changing your vote are as follows:

Stockholder of Record

If you are a stockholder of record, you may revoke your proxy in one of the four following ways:

- you may vote again by Internet or telephone at a later time (prior to the deadline for Internet or telephone voting);
- you may submit another properly completed proxy card with a later date;
- you may send a written notice that you are revoking your proxy to Tandem Diabetes Care, Inc., 11075 Roselle Street, San Diego, California 92121, Attention: General Counsel; or
- you may attend the Annual Meeting and vote in person (however, simply attending the Annual Meeting will not, by itself, revoke your proxy or change your vote).

Your most current Internet proxy, telephone proxy or proxy card will be the one that is counted at the Annual Meeting. If you send a written notice of revocation, please make sure to do so with enough time for it to arrive by mail prior to the Annual Meeting.

Beneficial Owner

If you are a beneficial owner of shares, you may revoke your proxy by following the instructions provided to you by your bank, broker or other nominee.

Q: What are the costs of soliciting these proxies?

A: We will pay all of the costs of soliciting these proxies. Our directors, officers and other employees may solicit proxies in person or by telephone, fax or email, but will be paid no additional compensation for these services. Although we have not retained a proxy solicitor to assist in the solicitation of proxies, we may do so in the future, and do not believe the cost of any such proxy solicitor will be material. We may reimburse banks, brokers and other institutions, nominees and fiduciaries for their expenses in forwarding these proxy materials to their principals and in obtaining authority to execute proxies.

Q: Where can I find voting results of the Annual Meeting?

A: In accordance with SEC rules, final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting, unless final results are not known at that time, in which case preliminary voting results will be published within four business days of the Annual Meeting and final voting results will be published once they are known by us.

Q: Whom should I contact with other questions?

A: If you have additional questions about this Proxy Statement or the Annual Meeting, please contact: Tandem Diabetes Care, Inc., 11075 Roselle Street, San Diego, California 92121, Attention: General Counsel, Telephone: (858) 366-6900.

PROPOSAL 1: ELECTION OF DIRECTORS

Board Structure

We currently have seven members of our board of directors and we have two vacancies. Under our charter and bylaws, our board is divided into three classes, as follows:

• Class I, which consists of Messrs. Kim D. Blickenstaff, Howard E. Greene, Jr. and Christopher J. Twomey, whose terms will expire at our 2020 annual meeting of stockholders;

• Class II, which consists of Messrs. Dick P. Allen and Edward L. Cahill (and one vacant position), whose terms will expire at the Annual Meeting; and

• Class III, which consists of Dr. Fred E. Cohen and Mr. Douglas A. Roeder (and one vacant position), whose terms will expire at our 2019 annual meeting of stockholders.

Upon the expiration of the initial term of office for each class of directors, each director in such class will be elected for a term of three years and serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Directors may only be removed for cause by the affirmative vote of a majority of the outstanding shares entitled to vote upon an election of directors, voting together as a single class. Because only approximately one-third of our directors will be elected at each annual meeting of stockholders, two consecutive annual meetings of stockholders could be required for our stockholders to change a majority of our board of directors. Any additional directorships resulting from an increase in the number of directors or a vacancy may be filled by the directors then in office.

Election of Directors

At the Annual Meeting, our stockholders are being asked to vote for the Class II director nominees listed below to serve on our board of directors until our annual meeting of stockholders to be held in 2021 and until each of their successors has been elected and qualified, or until such director's earlier death, resignation or removal. Each of these nominees is a current member of our board of directors whose term expires at the Annual Meeting. Each of these nominees has consented to serve, if elected.

Required Vote

Directors will be elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors at the Annual Meeting, so the two nominees for Class II director who receive the most "FOR" votes will be elected. This proposal is considered a non-routine matter under applicable rules. A broker, bank or other nominee may not vote without instructions on this matter, so there may be broker non-votes in connection with this proposal. Broker non-votes and withheld votes will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election. If no contrary indication is made, returned proxies will be voted for each of the director nominees, or in the event that any nominee is unable to serve as a director at the time of the election, returned proxies will be voted for any nominee who is designated by our board of directors to fill the vacancy.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" EACH OF THE DIRECTOR NOMINEES

Nominees for Director

The following table lists the persons recommended by our nominating and corporate governance committee and nominated by our board of directors to be elected as directors, including relevant information as of March 31, 2018 regarding their age, business experience, qualifications, attributes, skills and other directorships:

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Nominees for Election to the Board of Directors

For a Three-Year Term Expiring at the 2021 Annual Meeting of Stockholders

(Class II Directors)

DICK P. ALLEN Chairman, Board of Directors Member, Audit Committee Age: 73 Director since: 2007	Mr. Allen has served on our board of directors since July 2007. Mr. Allen was the President of DIMA Ventures, Inc., a private investment firm providing seed capital and board-level support for start-up companies in the healthcare field, until July 2009. Mr. Allen was a co-founder of Caremark, Inc., a home infusion therapy company that was later acquired by Baxter International and served as a Vice President from its inception in 1979 until 1986. Mr. Allen was also a co-founder and director of Pyxis Corporation, which was later acquired by Cardinal Health, Inc. Mr. Allen currently serves on the Board of Providence St. Joseph Health and served as Chairman of the Board of JDRF International from July 2012 until June 2014. Mr. Allen was also a Lecturer at the Stanford University Graduate School of Business for a total of 13 years. Mr. Allen holds a B.S. in Industrial Administration from Yale University and an M.B.A. from Stanford University Graduate School of Business. We believe Mr. Allen’s background in management and on boards of directors of companies in the healthcare industry, as well as his long-term investing experience, brings to our board critical skills related to financial oversight of complex organizations, strategic planning, and corporate governance and qualify him to serve as one of our directors.
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EDWARD L. CAHILL Director Member, Audit Committee Age: 64 Director since: 2009	Mr. Cahill has served on our board of directors since May 2009. Mr. Cahill has served as Managing Partner of HLM Venture Partners, a venture capital firm that invests primarily in emerging companies focused on healthcare information technology,
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healthcare services and medical technology, since May 2000. He served as a director of Animas Corporation, a developer of external insulin pumps, from March 2001 until its acquisition by Johnson & Johnson in February 2006. From June 1995 to May 2000, Mr. Cahill served as a founding partner of Cahill, Warnock Company (now Camden Partners), a venture capital firm based in Baltimore. Previously, Mr. Cahill was a Managing Director of Alex Brown & Sons, an investment services brokerage, where he led the firm's healthcare group from January 1986 through March 1995. From January 1999 until August

2014, Mr. Cahill was a director of Masimo Corporation (NASDAQ: MASI), a medical technology company. He is also a director of several privately held healthcare companies and serves as a trustee of Johns Hopkins Medicine, Johns Hopkins Health System and Mercy Health Services. Mr. Cahill holds an A.B. in American Civilization from Williams College and a Masters of Public and Private Management from Yale University.

We believe Mr. Cahill's diverse and extensive experience on boards of directors and in management, which has included public and private

companies in the life sciences industry, provides him with key skills in working with directors, understanding board process and functions and working with financial statements. We also believe he brings to our board his long-term investing experience with numerous companies in the healthcare and biotechnology industries, as well as a strong financial background, all of which qualify him for service on our board of directors.

Continuing Members of Our Board of Directors

The following table lists the members of our board of directors who are continuing in office, including relevant information as of March 31, 2018 regarding their age, business experience, qualifications, attributes, skills and other directorships:

Members of the Board of Directors Continuing in Office with a Term Expiring at the 2020 Annual Meeting of Stockholders

(Class I Directors)

<p>KIM D. BLICKENSTAFF</p> <p>President, Chief Executive Officer and Director</p> <p>Age: 65</p> <p>Director since: 2007</p>	<p>Mr. Blickenstaff has served as our President and Chief Executive Officer and as one of our directors since September 2007. Prior to joining our company, Mr. Blickenstaff served as Chairman and Chief Executive Officer of Biosite Incorporated, or Biosite, a provider of medical diagnostic products, from 1988 until its acquisition by Inverness Medical Innovations, Inc. in June 2007. Mr. Blickenstaff previously served as a director of Medivation, Inc. (NASDAQ: MDVN), a biotechnology company, from 2005 to 2016, until its acquisition by Pfizer, and as a director of DexCom, Inc. (NASDAQ: DXCM), a provider of continuous glucose monitoring systems, from June 2001 to September 2007. Mr. Blickenstaff was formerly a certified public accountant and has more than 20 years of experience overseeing the preparation of financial statements. He received a B.A. in Political Science from Loyola University, Chicago, and an M.B.A. from the Graduate School of Business, Loyola University, Chicago.</p> <p>We believe Mr. Blickenstaff brings to our board of directors valuable perspective and experience as our President and Chief Executive Officer, extensive experience at the board level of various healthcare companies, as well as leadership skills, industry experience and knowledge that qualify him to serve as one of our directors.</p>
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HOWARD E. GREENE, JR. Mr. Greene has served on our board of directors since January 2008. Mr. Greene is an entrepreneur who has participated in the founding and management of 11 medical technology companies over 25 years, including three companies for which he served as chief executive officer. He was the co-founder of Amylin Pharmaceuticals, Inc., a public pharmaceutical company that was acquired by Bristol Myers Squibb in August 2012, serving as the Chief Executive Officer of that company from 1987 to 1996. He also served as a director of Amylin Pharmaceuticals from 1987 to April 2009. Mr. Greene also served on the board of directors of Biosite from June 1989 until its sale in 2007. From 1986 until 1993, Mr. Greene was a founding general partner of Biovest Partners, a seed venture capital firm. He was Chief Executive Officer of Hybritech Incorporated from March 1979 until its acquisition by Eli Lilly & Co. in March 1986, and he was co-inventor of Hybritech's patented monoclonal antibody assay technology. Prior to joining Hybritech, he was an executive with the medical diagnostics division of Baxter Healthcare Corporation and a consultant with McKinsey & Company. Mr. Greene holds a B.A. in Physics from Amherst College and an M.B.A. from Harvard Business School.

Director

Member,

Compensation

Committee

Age: 75

Director since:

2008

We believe Mr. Greene's background as a Chief Executive Officer and director of publicly-traded biotechnology companies, his extensive experience at the executive and board level in multiple companies in the medical technology industry, and his long-term investing experience, brings to our board critical skills related to financial oversight of complex organizations, strategic planning, and corporate governance and qualify him to serve as one of our directors.

CHRISTOPHER J. TWOMEY Mr. Twomey has served on our board of directors since July 2013. From March 1990 until his retirement in 2007, Mr. Twomey held various positions with Biosite, most recently serving as Senior Vice President, Finance and Chief Financial Officer. From 1981 to 1990, Mr. Twomey worked for Ernst & Young LLP, where he served as an Audit Manager. Mr. Twomey has also served as a director of Senomyx, Inc. (NASDAQ: SNMX), a flavor technology company, since March 2006 and is chair of that company's audit committee. Mr. Twomey also served as a director and chair of the audit committee of Cadence Pharmaceuticals, Inc., from July 2006 until it was acquired by Mallinckrodt plc in March 2014. Mr. Twomey holds a B.A. in Business Economics from the University of California, Santa Barbara.

Director

Chairman,

Audit

Committee

Age: 58

Director since:

2013

We believe Mr. Twomey's experience in senior financial management and on boards of directors of companies in the life sciences industry, as well as his long-term accounting and auditing experience, brings to our board critical skills related to financial oversight of complex organizations, strategic planning, and corporate governance.

Members of the Board of Directors Continuing in Office with a Term Expiring at the 2019 Annual Meeting of Stockholders

(Class III Directors)

<p>FRED E. COHEN, M.D., D. Phil. Director Chairman, Nominating and Corporate Governance Committee</p>	<p>Dr. Cohen has served on our board of directors since June 2013. Dr. Cohen is a Senior Managing Director of Vida Ventures, a venture capital firm. Prior to Vida Ventures, he was at TPG, a private equity firm, from 2001-2016 where he was the founder and co-head of TPG's biotechnology group. Dr. Cohen was a Professor of Cellular and Molecular Pharmacology at the University of California, San Francisco (UCSF) from 1988 until 2014. From 1995 to 2001, Dr. Cohen served as the Chief of the Division of Diabetes, Endocrinology and Metabolism in the Department of Medicine of UCSF. Dr. Cohen also serves as a director of BioCryst Pharmaceuticals, Inc. (NASDAQ: BCRX), CareDx, Inc. (NASDAQ: CDNA), Genomic Health, Inc. (NASDAQ: GHDX), UroGen (NASDAQ: URGN), and Veracyte, Inc. (NASDAQ: VCYT). In addition, Dr. Cohen serves as a director of several privately held companies. Dr. Cohen holds a B.S. in Molecular Biophysics and Biochemistry from Yale University, a D.Phil. in Molecular Biophysics from Oxford University and an M.D. from Stanford University.</p>
<p>Age: 61 Director since: 2013</p>	<p>We believe Dr. Cohen's diverse and extensive experience on boards of directors and in management, which has included public and private companies in the life sciences industry, provides him with key skills in working with directors, and understanding board process and functions. We also believe he brings to our board his long-term investing experience with numerous companies in the healthcare and biotechnology industries, including serving on public company audit committees.</p>

<p>DOUGLAS A. ROEDER Director Chairman, Compensation Committee; Member, Nominating and Corporate Governance Committee</p>	<p>Mr. Roeder has served on our board of directors since May 2009. Mr. Roeder joined Delphi Ventures as an Associate in 1998, and has been a Partner since 2000, focusing on medical devices, diagnostics and biotechnology. Prior to joining Delphi Ventures, Mr. Roeder was an Associate with Alex Brown's Healthcare Investment Banking Group in San Francisco, where he focused on the medical device, life sciences and healthcare services industries. Mr. Roeder serves as a director of Senseonics Holdings, Inc. (NYSE-MKT: SENS), a continuous glucose monitoring company, and several privately held companies. He previously served as a director of Trivascular Technologies, Inc., a medical device company, which was acquired by Endologix, Inc. (NASDAQ: ELGX) in February 2016. He also previously worked with Putnam Associates, a strategy consulting firm focused on the pharmaceutical and biotechnology industries. Mr. Roeder holds an A.B. in Biochemistry from Dartmouth College.</p>
<p>Age: 47 Director since: 2009</p>	<p>We believe Mr. Roeder's experience on several boards of directors of companies in the life sciences industry, provides him with key skills in working with directors, understanding board process and functions and working with financial statements. We also believe he brings to our board his long-term investing experience with numerous companies in the healthcare and medical device industries, all of which qualify him for service on our board.</p>

CORPORATE GOVERNANCE

Director Independence

Our board of directors has affirmatively determined that each of Dr. Cohen and Messrs. Allen, Cahill, Greene, Roeder and Twomey meet the definition of “independent director” under the applicable SEC rules and NASDAQ Listing Rules.

Family Relationships

There are no family relationships between any director, executive officer or person nominated to become a director or executive director.

Agreements with Directors

None of the directors or nominees for director was selected pursuant to any arrangement or understanding, other than with the directors of the Company acting within their capacity as such.

Legal Proceedings with Directors

There are no legal proceedings related to any of the directors or director nominees which require disclosure pursuant to the applicable SEC rules.

Board Leadership Structure

The positions of Chairman of the board and chief executive officer are presently separated. We believe separating these positions allows our chief executive officer to focus on our day-to-day business, while allowing the Chairman of the board to lead our board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman of the board, particularly as our board of directors’ oversight responsibilities continue to grow. While our amended and restated bylaws and nominating and corporate governance committee charter do not require that our Chairman and chief executive officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Board Role in Risk Oversight

Risk is inherent in every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our operations, strategic direction and intellectual property. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of our board of directors in overseeing the management of our risks is realized primarily through committees of our board of directors, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under

the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the Chairman of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting.

Board and Committee Meetings

During 2017, our board of directors met 29 times (including telephonic meetings) and took action by written consent four times. Each director attended at least 75% of the meetings held by the board of directors and by each committee on which he served while he was a director, either in person or by teleconference, during the year.

Director Attendance at Annual Meetings

Although we do not have a formal policy regarding attendance by members of our board of directors at each annual meeting of stockholders, we encourage all of our directors to attend.

Executive Sessions

In accordance with the applicable continued listing rules of the NASDAQ Stock Market, or the NASDAQ Listing Rules, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Board Committees

Our board of directors has three standing committees: the audit committee, the compensation committee, and the nominating and corporate governance committee. In addition, from time to time, special committees may be established under the direction of our board of directors when necessary to address specific issues. For instance, we have previously established a pricing committee to determine the offering price and other terms of various financings we have pursued.

Each of the three standing committees has a written charter that has been approved by our board of directors. A copy of each charter is available at <http://investor.tandemdiabetes.com/governance.cfm>. However, the information contained on our website is not incorporated by reference in, or considered part of, this Proxy Statement and references in this Proxy Statement to our website are to inactive textual references only.

As of December 31, 2017, our audit committee was comprised of Mr. Twomey (Chairman), Mr. Allen and Mr. Cahill; our compensation committee was comprised of Mr. Roeder (Chairman) and Mr. Greene; and our nominating and corporate governance committee was comprised of Dr. Cohen (Chairman) and Mr. Roeder.

The current members of each standing committee are identified in the following table:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Kim D. Blickenstaff			
Dick P. Allen	X		
Edward L. Cahill	X		
Fred E. Cohen, M.D., D.Phil.			Chairman
Howard E Greene, Jr.		X	
Douglas A. Roeder		Chairman	X
Christopher J. Twomey	Chairman		

Audit Committee

During 2017, our audit committee met four times (including telephonic meetings) and took action by written consent one time. Each of the members of the audit committee has been determined to be an “independent director” under applicable SEC rules and NASDAQ Listing Rules. Our board of directors has affirmatively determined that Mr. Twomey is designated as an “audit committee financial expert.”

Our audit committee’s responsibilities include:

- appointing, terminating, compensating and overseeing the work of any independent auditor engaged to prepare or issue an audit report or to provide other audit, review or attest services;

reviewing all audit and non-audit services to be performed by the independent auditor, taking into consideration whether the independent auditor's provision of non-audit services to us is compatible with maintaining the independent auditor's independence;

• reviewing and discussing the adequacy and effectiveness of our accounting and financial reporting processes and internal controls and the audits of our financial statements;

• establishing and overseeing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by our employees regarding questionable accounting or auditing matters;

• investigating any matter brought to its attention within the scope of its duties and engaging independent counsel and other advisors as the audit committee deems necessary;

• determining the compensation of the independent auditors, and of other advisors hired by the audit committee;

• reviewing and discussing with management and the independent auditor the annual and quarterly financial statements prior to their release;

• monitoring and evaluating the independent auditor's qualifications, performance and independence on an ongoing basis;

• reviewing reports to management prepared by the internal audit function, as well as management's response;

• reviewing and assessing, on an annual basis, the adequacy of the audit committee's formal written charter;

• reviewing related party transactions for potential conflict of interest situations on an ongoing basis, and approving or rejecting such transactions; and

• overseeing such other matters that are specifically delegated to the audit committee by our board of directors from time to time.

Compensation Committee

During 2017, our compensation committee met five times (including telephonic meetings) and took action by written consent three times. Each of the members of the compensation committee has been determined to be an “independent director” under applicable SEC rules and NASDAQ Listing Rules.

Our compensation committee’s responsibilities include:

- developing, reviewing, and approving our overall compensation programs, and regularly reporting to the full board of directors regarding the adoption of such programs;
- developing, reviewing and approving our cash and equity incentive plans, including approving individual grants or awards thereunder, with the exception of grants or awards to our chief executive officer which must be approved by our independent directors, and regularly reporting to the full board of directors regarding the terms of such plans and individual grants or awards;
- reviewing and approving individual and Company performance goals and objectives that may be relevant to the compensation of executive officers and other key employees;
- reviewing and approving the terms of any employment agreement, severance or change in control arrangements, or other compensatory arrangement with any executive officers or other key employees, with the exception of our chief executive officer for whom any such arrangements must be approved by our independent directors;
- reviewing and discussing with management the tables and narrative discussion regarding executive officer and director compensation to be included in the annual proxy statement;
- reviewing and assessing, on an annual basis, the adequacy of the compensation committee’s formal written charter; and
- overseeing such other matters that are specifically delegated to the compensation committee by our board of directors from time to time.

Nominating and Corporate Governance Committee

During 2017, our nominating and corporate governance committee met four times (including telephonic meetings) and took action by written consent one time. Each of the members of the nominating and corporate governance committee has been determined to be an “independent director” under applicable SEC rules and NASDAQ Listing Rules.

Our nominating and corporate governance committee’s responsibilities include:

- identifying and screening candidates for our board of directors, and recommending nominees for election as directors;
- assessing, on an annual basis, the performance of our board of directors and any committee thereof;
- overseeing overall business risk and acquiring insurance policies;
- reviewing the structure of the board’s committees and recommending to the board for its approval directors to serve as members of each committee, including each committee’s respective chair, if applicable;
- reviewing and assessing, on an annual basis, the adequacy of the nominating and corporate governance committee’s formal written charter; and
- generally advising our board of directors on corporate governance and related matters.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee. No interlocking relationship exists between any member of our board of directors and any member of the compensation committee (or other committee performing equivalent functions) of any other company.

We have entered into an indemnification agreement with each of our directors, including Messrs. Roeder and Greene, who comprise our compensation committee.

Director Nomination Process

The goal of our nominating and corporate governance committee, which we refer to as the committee for purposes of this section, is to assemble a well-rounded board of directors that consists of directors with backgrounds that are complementary to one another, reflecting a variety of experiences, skills and expertise. In considering whether to recommend any candidate for inclusion in the slate of recommended nominees for our board of directors, including candidates recommended by stockholders, the committee applies the following selection criteria, as set forth in its charter:

Each director should be committed to enhancing long-term stockholder value and must possess a high level of personal and professional ethics, sound business judgment and integrity;

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- Each director should be free of any conflicts of interest which would violate applicable laws, rules, regulations or listing standards, or interfere with the proper performance of his or her responsibilities;
- Each director should possess experience, skills and attributes which enhance his or her ability to perform duties on our behalf. In assessing these qualities, the committee will consider such factors as (i) personal skills and attributes, (ii) expertise in the areas of accounting, marketing, strategy, financial reporting or corporate governance, and (iii) professional experience in diabetes care or the healthcare industry, as well as other factors that would be expected to contribute to an effective board of directors;
- Each director should have the willingness and ability to devote the necessary time and effort to perform the duties and responsibilities of board membership; and
- Each director should demonstrate his or her understanding that his or her primary responsibility is to our stockholders, and that his or her primary goal is to serve the best interests of those stockholders, and not his or her personal interest or the interest of a particular group.

While we do not have a formal policy regarding board diversity, it is one of a number of factors the committee takes into account in identifying and recommending nominees.

The committee believes it is appropriate for our president and chief executive officer to serve as a member of our board of directors.

The committee currently has a policy of evaluating nominees recommended by stockholders in the same manner as it evaluates other nominees. We do not intend to treat stockholder recommendations in any manner different from other recommendations. Under our bylaws, stockholders wishing to propose a director nominee should send the required information to Tandem Diabetes Care, Inc., 11075 Roselle St., San Diego, CA 92121, Attention: Corporate Secretary. We have not received director candidate recommendations from our stockholders to date.

Codes of Conduct and Ethics

We have adopted a code of ethics that applies to our chief executive officer and other senior financial officers (our chief financial officer, and other senior financial officers performing similar functions), which is designed to meet the requirements of Item 406 of Regulation S-K. We have also adopted a code of ethics that applies to all of our employees, officers and directors, which is designed to meet the requirements of the applicable NASDAQ Listing Rules. Each of these documents is available at <http://investor.tandemdiabetes.com/governance.cfm>. We expect that any amendment to either code of ethics, or any waivers of their respective requirements that are applicable to executive officers or directors, will be disclosed on our website or in our future filings with the SEC.

Stockholder Communications with our Board of Directors

Stockholders seeking to communicate with our board of directors as a whole, may send such communication to: Tandem Diabetes Care, Inc., 11075 Roselle St., San Diego, CA 92121, Attention: General Counsel. Stockholders seeking to communicate with an individual director, in his or her capacity as a member of our board of directors, may send such communication to the same address, to the attention of such individual director. We will generally forward any such stockholder communication to each director to whom such stockholder communication is addressed to the address specified by each such director, unless we determine that the communication is unduly hostile, threatening, illegal or otherwise unsuitable for receipt by the directors.

DIRECTOR COMPENSATION

During 2017, pursuant to our director compensation program, we paid our non-employee directors a cash retainer for service on our board of directors and an additional amount for service on each committee of which the director is a member. The Chairman of our board of directors, and the Chairman of each committee, receives a higher annual retainer for such service (which is in lieu of, and not in addition to, member annual retainers). Under the program, the annual fees paid to non-employee directors for service on our board of directors, and for service on each committee of our board of directors of which the director is a member, were as follows:

	Member Annual Retainer	Chairman Annual Retainer
Board of Directors	\$ 44,000	\$ 88,000
Audit Committee	\$ 8,500	\$ 23,000
Compensation Committee	\$ 6,000	\$ 17,000
Nominating and Corporate Governance Committee	\$ 5,000	\$ 9,000

Under our director compensation program, prior to the implementation of our reverse stock-split in October 2017, each non-employee director historically received an option to purchase 25,000 shares of our Common Stock upon his or her initial election to our board of directors. These options vested in equal monthly installments over a period of 36 months following the grant date, subject to the individual's continued service as a director. Further, annually on November 15 of each year (or on the next trading day if the 15th is not a trading day), each non-employee director historically received an option to purchase an additional 17,000 shares of our Common Stock (subject to pro-ration for each full month of service on our board of directors prior to such date). These options vested in equal monthly installments over a period of 12 months following the grant date, subject to the individual's continued service as a director. The exercise price of each of these options was equal to the closing price of our Common Stock on the date of grant. In connection with the implementation of our 1-for-10 reverse stock-split in October 2017, the share amounts for awards to our non-employee directors were automatically adjusted in accordance with the terms of our 2013 Plan in the same proportion as the reverse stock-split.

Accordingly, in November 2017, each non-employee director then serving on our board of directors received an option to purchase 1,700 shares of our Common Stock in accordance with the terms of our director compensation program, as described above. In addition, in December 2017, each non-employee director then serving on our board of directors received an additional discretionary option to purchase 5,300 shares of our Common Stock that will vest in equal monthly installments over a period of 12 months following the grant date.

Pursuant to this proxy statement, we are asking our stockholders to approve amendments to our 2013 Plan to, among other things, increase the number of options that are awarded automatically to our non-employee directors pursuant to our director compensation program. Specifically, if the proposal is adopted, each non-employee director would be entitled to receive an option to purchase 50,000 shares of our Common Stock upon his or her initial election to our board of directors and an annual grant of an option to purchase an additional 25,000 shares of our Common Stock. The timing and vesting conditions associated with these grants will remain consistent with our historical practices as discussed above. The exercise price of all options granted to our non-employee directors will equal the closing price of our Common Stock on the date of grant. Each of these stock options, as well as any other equity awards to non-employee directors, is expected to be made pursuant to our 2013 Plan. For additional information about the proposal to amend our 2013 Plan, see the section entitled "Proposal 4: Approval of the Amendments to our 2013 Plan".

We reimburse our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending our board of director and committee meetings.

In June 2014 we implemented the Tandem Diabetes Care, Inc. Deferred Compensation Plan, or the Deferred Compensation Plan. In light of the limited utilization of the Deferred Compensation Plan, as well as the expenses associated with maintaining the plan, our board of directors elected to terminate the plan in May 2017.

Our director compensation program is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Director Compensation Table

The following table sets forth compensation information with respect to all of our non-employee directors for amounts earned during 2017.

Name	Fees Earned or Paid		Total (\$)
	in Cash (\$)	Options Awards(\$) ⁽¹⁾⁽²⁾	
Dick P. Allen	\$96,500	\$ 2,346	\$98,846
Edward L. Cahill	\$52,500	\$ 2,346	\$54,846
Fred E. Cohen, M.D., D.Phil., F.A.C.P.	\$49,000	\$ 2,346	\$51,346
Howard E. Greene, Jr.	\$50,000	\$ 2,346	\$52,346
Douglas A. Roeder	\$66,000	\$ 2,346	\$68,346
Christopher J. Twomey	\$67,000	\$ 2,346	\$69,346

(1) The dollar amounts listed do not necessarily reflect the dollar amounts of compensation actually realized, or that may be realized, by our non-employee directors. These amounts reflect the grant date fair value of the options awarded to each of our non-employee directors during 2017 calculated in accordance with FASB ASC Topic 718. Information regarding assumptions made in valuing the option grants can be found in Note 6 of the “Notes to Financial Statements” included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on March 1, 2018.

(2) The amounts do not reflect the value of certain options granted during 2017 that are subject to and conditioned upon the approval by our stockholders of an increase to the number of shares reserved for issuance under our 2013 Plan as the value of those options is not currently determinable.

The aggregate number of shares subject to outstanding stock option awards for each of our non-employee directors as of December 31, 2017 was as follows:

Name	Aggregate
	Number of Option Awards ⁽¹⁾
Dick P. Allen	10,171
Edward L. Cahill	8,500
Fred E. Cohen, M.D., D. Phil., F.A.C.P.	8,500
Howard E. Greene, Jr.	10,171
Douglas A. Roeder	8,500
Christopher J. Twomey	10,988

(1) The amounts listed exclude the 5,300 additional options granted to each non-employee director in December 2017, as those additional options are expressly subject to and conditioned upon the approval by our stockholders of an

increase to the number of shares authorized under the 2013 Plan.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our audit committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018. Although not required by applicable law or our charter or bylaws, as a matter of good corporate governance, we are asking our stockholders to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. Ernst & Young LLP has audited our financial statements since 2008.

We expect that representatives of Ernst & Young LLP will be present at the Annual Meeting, and will be available to respond to appropriate questions from stockholders. Additionally, the representatives of Ernst & Young LLP will have an opportunity to make a statement if they so desire.

If our stockholders do not vote to ratify the appointment of Ernst & Young LLP, our audit committee will reconsider whether to retain the firm. Even if the selection is ratified, our audit committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our stockholders.

Required Vote

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm requires the affirmative vote of a majority of the outstanding shares of our Common Stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting. Abstentions will be counted toward the tabulation of votes cast on this proposal and will have the same effect as a vote against the proposal. This proposal is considered a routine matter under applicable rules. A broker, bank or other nominee may generally vote without instructions on this matter, so we do not expect any broker non-votes in connection with this proposal. If no contrary indication is made, returned proxies will be voted for the proposal.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THIS PROPOSAL

Audit and All Other Fees

The following table presents fees for professional audit services rendered by Ernst & Young LLP for the audit of our annual financial statements for the fiscal years ended December 31, 2017 and December 31, 2016, and fees billed for other services rendered by Ernst & Young LLP during those periods.

Type of Fee	2017	2016
Audit Fees ⁽¹⁾	\$589,276	\$662,179
Audit-Related Fees ⁽²⁾	392,223	7,500
Tax Fees ⁽³⁾	15,450	-
Total	\$996,949	\$669,679

(1) Audit Fees consist of fees billed for professional services performed by Ernst & Young LLP, including out-of-pocket expenses. The amounts presented relate to the audit of our annual financial statements, review of our quarterly financial statements and our registration statements, and related services that are normally provided in connection with statutory and regulatory filings or engagements.

(2)

Audit-Related Fees consist of fees for professional services performed by Ernst & Young LLP for assurance and related services that are reasonably related to the performance of the audit of our annual financial statements and are not reported as Audit Fees, including out-of-pocket expenses.

- (3) Tax Fees consist of fees for professional services performed by Ernst & Young LLP with respect to an Internal Revenue Code, or the Code, Section 382 study and general tax advice and planning.

Our audit committee has considered whether the provision of non-audit services is compatible with maintaining the independence of Ernst & Young LLP, and has concluded that the provision of such services is compatible with maintaining the independence of our auditors.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee has established a policy that all audit and permissible non-audit services provided by our independent registered public accounting firm will be pre-approved by the audit committee. These services may include audit services, audit-related services, tax services and other services. Our audit committee will consider whether the provision of each non-audit service is compatible with maintaining the independence of our auditors. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Our independent registered public accounting firm and management are required to periodically report to our audit committee regarding the extent of services provided by our independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date.

AUDIT COMMITTEE REPORT

The audit committee oversees our financial reporting process on behalf of the Company's board of directors, but management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the audit committee reviewed and discussed the audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 with management, including a discussion of any significant changes in the selection or application of accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements and the effect of any new accounting initiatives.

The audit committee reviewed and discussed with Ernst & Young LLP, which is responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the audit committee under generally accepted auditing standards, including Auditing Standard No. 16, "Communication with Audit Committees" of the Public Company Accounting Oversight Board. In addition, the audit committee has discussed with Ernst & Young LLP, its independence from management and the Company, has received from Ernst & Young LLP the written disclosures and the letter required by Public Company Accounting Oversight Board Rule 3526 "Independence Discussions with Audit Committees", and has considered the compatibility of non-audit services with the auditors' independence.

We have met with Ernst & Young LLP to discuss the overall scope of its services, the results of its audit and reviews, its evaluation of the Company's internal controls and the overall quality of the Company's financial reporting. Ernst & Young LLP, as the Company's independent registered public accounting firm, also periodically updates the audit committee about new accounting developments and their potential impact on the Company's reporting. Our meetings with Ernst & Young LLP were held with and without management present. Members of the audit committee are not employed by the Company, nor does the audit committee provide any expert assurance or professional certification regarding the Company's financial statements. We rely, without independent verification, on the accuracy and integrity of the information provided, and representations made, by management and the Company's independent registered public accounting firm.

In reliance on the reviews and discussions referred to above, we recommended to the board of directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. We and the Company's board of directors also recommended, subject to stockholder approval, the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.

The foregoing report has been furnished by the audit committee.

Respectfully submitted,

AUDIT COMMITTEE

Christopher J. Twomey, Chairman

Dick P. Allen

Edward L. Cahill

This Audit Committee Report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

EXECUTIVE OFFICERS

Our executive officers, and their respective ages and positions with us as of March 31, 2018, are as follows:

Name	Age	Position
Kim D. Blickenstaff	65	Director, President and Chief Executive Officer
David B. Berger	48	Executive Vice President, General Counsel and Secretary
Brian B. Hansen	50	Executive Vice President and Chief Commercial Officer
Susan M. Morrison	38	Executive Vice President and Chief Administrative Officer
John F. Sheridan	62	Executive Vice President and Chief Operating Officer
Leigh A. Vosseller	45	Senior Vice President, Chief Financial Officer and Treasurer

Mr. Blickenstaff's biography can be found under the section entitled "Proposal 1: Election of Directors" above.

David B. Berger has served as our General Counsel since August 2013, as our Corporate Secretary since January 2015, and as our Executive Vice President since January 2016. Prior to joining our company, from January 2008 until August 2013, he served as Vice President and General Counsel of Senomyx, and was promoted to Senior Vice President in January 2012. He served as Corporate Secretary of Senomyx from January 2008 until May 2014. From April 2003 until October 2007, Mr. Berger was responsible for all commercial aspects of legal affairs at Biosite. At Biosite, Mr. Berger most recently held the position of Vice President, Legal Affairs. Previously, Mr. Berger was an attorney at Cooley Godward LLP and Amylin Pharmaceuticals, Inc. Mr. Berger holds a B.A. in Economics from the University of California, Berkeley and a J.D. from Stanford Law School.

Brian B. Hansen has served as our Executive Vice President and Chief Commercial Officer since February 2016. Prior to joining our company, Mr. Hansen served from September 2014 as Chief Commercial Officer of Adaptive Biotechnologies Corp. From May 2013 to September 2014, Mr. Hansen served as Head of Commercial, Sales and Marketing, of Genoptix, a Novartis Company. From December 2005 to February 2013, he served in various roles of increasing responsibility at Gen-Probe, Inc., a medical diagnostics company, most recently serving as Senior Vice President, Global Sales and Services from January 2012 to February 2013. Mr. Hansen received an M.B.A. from the School of Business at San Diego State University and a B.S. in Business Administration from the University of Missouri-Columbia.

Susan M. Morrison has served as our Chief Administrative Officer since September 2013. From April 2013 until September 2013, she served as our Vice President, Human Resources, Corporate and Investor Relations. Ms. Morrison served as our Director, Corporate and Investor Relations, from January 2009 to March 2013, and was our Director, Corporate Services from November 2007 to December 2008. Prior to joining our company, Ms. Morrison held various positions in Corporate and Investor Relations at Biosite from August 2003 through November 2007. Ms. Morrison holds a B.A. in Public Relations from Western Michigan University.

John F. Sheridan has served as our Executive Vice President and Chief Operating Officer since April 2013. Prior to joining our company, Mr. Sheridan served as Chief Operating Officer of Rapiscan Systems, Inc., a provider of security equipment and systems, from March 2012 to February 2013. Mr. Sheridan served as Executive Vice President of Research and Development and Operations for Volcano Corporation, a medical technology company, from November 2004 to March 2010. From May 2002 to May 2004, Mr. Sheridan served as Executive Vice President of Operations at CardioNet, Inc., a medical technology company, now operating as BioTelemetry, Inc. (NASDAQ: BEAT). From March 1998 to May 2002, he served as Vice President of Operations at Digirad Corporation, a medical imaging company. Mr. Sheridan holds a B.S. in Chemistry from the University of West Florida and an M.B.A. from Boston University.

Leigh A. Vosseller has served as our Senior Vice President, Chief Financial Officer and Treasurer since January 2018. She joined us as Vice President of Finance in 2013 and was promoted to Senior Vice President of Finance in August 2017. Prior to that time, she served as Vice President and CFO at Genoptix, fka Novartis company, beginning in 2011, after initially joining Genoptix, Inc. in 2008. Prior to that she held a senior finance position at Biosite Incorporated where she played a key role in developing the financial and administrative infrastructure for international expansion. Ms. Vosseller is a certified public accountant (inactive) and holds a B.S. in Accounting from Missouri State University.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our Common Stock as of March 31, 2018, except as noted in the footnotes below, for:

- each of our named executive officers (as defined in the section entitled “Executive Compensation” below);
- each of our directors;
- all of our executive officers and directors as a group; and
- each person, or group of affiliated persons, known by us to be the beneficial owner of more than 5% of our outstanding shares of Common Stock.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of Common Stock that may be acquired by an individual or group within 60 days of March 31, 2018, pursuant to the exercise of options, warrants or other rights, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Information about each person, or group of affiliated persons, that is the beneficial owner of more than 5% of our outstanding shares of Common Stock is generally based on information filed with the SEC by such stockholders. Except as indicated in footnotes to this table, we believe the stockholders named in this table have sole voting and investment power with respect to all shares of Common Stock reported to be beneficially owned by them.

The address for each director and executive officer listed is: c/o Tandem Diabetes Care, Inc., 11075 Roselle Street, San Diego, California 92121.

Percentage of beneficial ownership is based on 46,635,969 shares of Common Stock outstanding as of March 31, 2018.

Name	Number of Shares Beneficially Owned	Warrants Exercisable by May 30, 2018	Options Exercisable by May 30, 2018	Percentage Beneficially Owned
5% or Greater Stockholders:				
First Light Asset Management, LLC(1)	4,859,238			10.4 %
Corrib Capital Management, L.P.(2)	4,500,000			9.6 %
DexCom, Inc.	2,500,000			5.4 %
Directors and Named Executive Officers:				
Kim D. Blickenstaff(3)	1,236,494	584,962	145,424	4.2 %
John Cajigas(4)	85,983	521	54,048	*
Brian B. Hansen	898	-	18,215	*
John F. Sheridan	777	-	42,215	*
Dick P. Allen(5)	102,761	3,186	9,321	*
Edward L. Cahill(6)	173,916	-	7,650	*
Fred E. Cohen(7)	249,620	27,514	7,650	*
Howard E. Greene, Jr.(8)	61,787	2,590	9,321	*
Douglas A. Roeder(9)	1,366,803	-	7,650	2.9 %

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Christopher J. Twomey(10)	79,308	697	10,138	*	
All directors and executive officers as a group (13 individuals)	3,364,219	619,793	444,425	9.3	%

* Represents beneficial ownership of less than one percent (1.0%)

(1) Consists of (i) 4,500,000 shares held by First Light Focus Fund, LP, (ii) 234,238 shares held by direct holders for whom First Light Asset Management, LLC acts as investment advisor, and (iii) 125,000 shares held by Mathew P. Arens. First Light Asset Management, LLC is the investment advisor for First Light Focus Fund, LP. First Light Focus Fund GP, LLC is the general partner of First Light Focus Fund, LP. Mr. Arens is the managing member of First Light Asset Management, LLC. Mr. Arens and each of the foregoing entities disclaim beneficial ownership except to the extent of any pecuniary interest therein.

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- (2) Consists of (i) 2,085,300 shares held by Corrib Master Fund, Ltd and (ii) 2,414,700 shares held by the PCH Manager Fund, SPC. Corrib Capital Management, L.P. is the manager of each of Corrib Master Fund, Ltd and PCH Manager Fund, SPC and has shared voting and investment power over the shares held by these entities. Kevin M. Cavanaugh is a director of each of Corrib Master Fund, Ltd, PCH Manager Fund, SPC and Corrib Capital Management, L.P. and has shared voting and investment power over the shares held by each of these entities. Mr. Cavanaugh and each of the foregoing entities disclaims beneficial ownership except to the extent of any pecuniary interest therein.
- (3) Includes 1,236,494 shares and warrants to purchase up to 584,962 shares held by the Kim Blickenstaff Revocable Trust dated April 15, 2010.
- (4) Includes 84,147 shares and warrants to purchase up to 521 shares held by the John Cajigas and Mary E. Cajigas Family Trust, dated August 11, 2005. Mr. Cajigas is co-trustee of the John Cajigas and Mary E. Cajigas Family Trust, dated August 11, 2005 and has shared voting and investment power over the shares held by the John Cajigas and Mary E. Cajigas Family Trust, dated August 11, 2005. Mr. Cajigas retired from the Company, effective December 31, 2017.
- (5) Consists of (i) 63,160 shares and warrants to purchase up to 2,779 shares held by the Allen Family Trust dated October 12, 1981, (ii) 22,001 shares and warrants to purchase up to 407 shares held by Allen Cornerstone Ventures, L.P., (iii) 2,500 shares held by the Gammon Children's 2000 Trust FBO Hannah Lee Gammon, (iv) 2,500 shares held by the Gammon Children's 2000 Trust FBO Jake Allen Gammon, (v) 6,300 shares held in the Mary Allen Roth IRA, and (vi) 6,300 shares held in the Dick Allen Roth IRA. Mr. Allen is trustee of the Allen Family Trust dated October 12, 1981. Mr. Allen is General Partner of Allen Cornerstone Ventures, L.P. and disclaims beneficial ownership of the shares held by Allen Cornerstone Ventures, L.P., except to the extent of his proportionate pecuniary interest therein. Mr. Allen is co-trustee of the Gammon Children's 2000 Trust FBO Hannah Lee Gammon and has shared voting and investment power over the shares held by the Gammon Children's 2000 Trust FBO Hannah Lee Gammon, and disclaims beneficial ownership of such shares. Mr. Allen is co-trustee of the Gammon Children's 2000 Trust FBO Jake Allen Gammon and has shared voting and investment power over the shares held by the Gammon Children's 2000 Trust FBO Jake Allen Gammon, and disclaims beneficial ownership of such shares. Mr. Allen is married to Mary Allen, and may be deemed to have indirect beneficial ownership of the securities held in the Mary Allen Roth IRA. Mr. Allen disclaims beneficial ownership of such shares.
- (6) Consists of (i) 173,916 shares that are held by HLM Venture Partners II, L.P. and (ii) options granted to Mr. Cahill personally pursuant to our director compensation program. Mr. Cahill is one of our directors. Mr. Cahill and Peter J. Grua are the managing members of HLM Venture Associates II, L.L.C., which is the general partner of HLM Venture Partners II, L.P. Mr. Cahill has shared voting and investment power over the shares held by HLM Venture Partners II, L.P. Mr. Cahill disclaims beneficial ownership of the shares held by HLM Venture Partners II, L.P., except to the extent of his proportionate pecuniary interest therein.
- (7) Consists of 249,620 shares and warrants to purchase 27,515 held by TPG Biotechnology Partners III, L.P., as well as options granted to Dr. Cohen personally pursuant to our director compensation program. Dr. Cohen is one of our directors, and was a Partner and Managing Director of TPG Biotech, which is an affiliate of TPG Biotechnology Partners III, L.P. Although he is no longer employed by TPG, he retains a key man role in this fund. Dr. Cohen has no voting or investment power over the shares held by TPG Biotechnology Partners III, L.P. Dr. Cohen disclaims beneficial ownership of the shares held by TPG Biotechnology Partners III, L.P.
- (8) Includes 61,787 shares and warrants to purchase up to 2,590 shares held by the Greene Family Trust.
- (9) Consists of (i) 1,353,586 shares held by Delphi Ventures VIII, L.P., and (ii) 13,217 shares held by Delphi BioInvestments VIII, L.P. (together, the Delphi Funds), and (ii) options granted to Mr. Roeder personally pursuant to our director compensation program. Mr. Roeder is one of our directors. Mr. Roeder, James J. Bochnowski, David L. Douglass and Deepika R. Pakianathan, Ph.D are the managing members of Delphi Management Partners VIII, LLC, which is the general partner of each of the Delphi Funds. Mr. Roeder has shared voting and investment power over the shares held by the Delphi Funds. Mr. Roeder disclaims beneficial ownership of the shares held by the Delphi Funds, except to the extent of his proportionate pecuniary interest therein. The address for all entities and individuals affiliated with Delphi Ventures is 160 Bovet Rd, Suite #408, San Mateo, CA 94402

(10) Consists of (i) 52,550 shares and warrants to purchase up to 427 shares held by the Christopher J. Twomey and Rebecca J. Twomey Family Trust UTD September 20, 2002 and (ii) 26,758 shares and warrants to purchase up to 270 shares held by Twomey Family Investments, LLC. Mr. Twomey is co-trustee of the Christopher J. Twomey and Rebecca J. Twomey Family Trust UTD September 20, 2002 and has shared voting and investment power over the shares held by the Christopher J. Twomey and Rebecca J. Twomey Family Trust UTD September 20, 2002. Mr. Twomey is Co-Manager of Twomey Family Investments, LLC and Mr. Twomey disclaims beneficial ownership of the shares held by Twomey Family Investments, LLC, except to the extent of his proportionate pecuniary interest therein.

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EXECUTIVE COMPENSATION

This narrative discussion of the compensation philosophy, objectives, policies and arrangements that apply to our named executive officers and other senior management personnel is intended to assist your understanding of, and to be read together with, the Summary Compensation Table and related disclosures set forth below.

Named Executive Officers

Our “named executive officers” for 2017 include the following persons:

- Kim D. Blickenstaff, who currently serves as our President and Chief Executive Officer, as well as a member of our board of directors, and is our principal executive officer;
- John Cajigas, who retired from his role as our Executive Vice President, Chief Financial Officer and Treasurer as of December 31, 2017;
- Brian B. Hansen, who currently serves as our Executive Vice President and Chief Commercial Officer; and
- John F. Sheridan, who currently serves as our Executive Vice President and Chief Operating Officer.

Compensation Philosophy and Objectives

The primary objective of our executive compensation program is to attract and retain talented executives with the skills necessary to lead us and create long-term value for our stockholders. We recognize that there is significant competition for talented executives, especially in the medical device industry, and it can be particularly challenging for early-stage companies to recruit experienced executives. When establishing our executive compensation program, our compensation committee, which we refer to as the committee for purposes of this “Executive Compensation” section, is guided by the following four principles:

- attract executives with the background and experience required for our future growth and success;
- provide a total compensation package that is competitive with other companies in the medical device industry that are similar to us in size and stage of growth;
- align the interests of our executives with those of our stockholders by tying a meaningful portion of total compensation to increases in our value through the grant of equity-based awards; and
- tie a meaningful portion of potential total compensation to the achievement of our performance objectives, such as annual revenue, which can increase or decrease to reflect achievement with respect to the objectives.

The committee is primarily responsible for developing, reviewing and approving our compensation programs, including the compensation arrangements that apply to our named executive officers, and regularly reporting to our board of directors regarding the adoption of such programs. In particular, the committee is responsible for overseeing our cash and equity incentive plans, including approving individual grants or awards thereunder, with the exception of compensation arrangements for our chief executive officer which must be approved by our independent directors. The committee is also responsible for approving individual and company performance goals and objectives that are relevant to the compensation of our executive officers and other key employees.

The committee evaluates the total compensation of our named executive officers and other executives relative to available compensation information from companies in our industry that are similar to us in size and stage of growth. The committee’s historical practice has been to benchmark our executive salaries just above market at the 60th percentile compared to relevant survey data, in order to compete in the market for talented executives. However, this is only the starting point for the committee determination of base salary, and it retains the discretion to adjust salaries based on a number of factors, including changing pay practices in our industry or geographic area, executive retention concerns, executive performance and changes to our peer group.

The committee has not established any formal policies or guidelines for allocating between long-term and currently-paid compensation, or between cash and non-cash compensation. In determining the amount and mix of compensation elements and whether each element provides the correct incentives in light of our compensation objectives, the committee relies on its judgment and experience rather than adopting a formulaic approach to compensation decisions.

Since our initial public offering in November 2013, the committee has authorized our management team to engage an independent compensation consultant from Marsh & McLennan (which acquired Barney & Barney) to provide advisory services directly to the committee. These services have included advising the committee on the selection of an appropriate peer group of other publicly traded healthcare companies, collecting and analyzing compensation data from those companies, and performing an independent review of our compensation practices for both our executive officers, as well as our non-employee directors, as compared to the peer group. Our peer group for this analysis, which we refer to as our 2017 peer group, was selected primarily based on the peer companies' similarities to us as of the time that the survey was performed, based on factors such as revenue, market capitalization, industry, number of employees and location. In selecting

our 2017 peer group, the committee also expressed its desire to generally maintain consistency of our peer group as compared to the previous year, but also acknowledged that some of the companies in the previous peer group had been acquired or experienced significant changes that would no longer make them appropriate peers at the time that our 2017 peer group was selected. While the committee considered the decline to our own market capitalization as of the time that it was evaluating appropriate companies for the 2017 peer group, it also retained some companies from our peer group from the previous year that experienced increases in market capitalization based on the committee's determination that such companies were otherwise sufficiently similar to our company based on other factors.

Following a review and discussion of the composition of the proposed peer group, for the purpose of making executive compensation decisions in 2017, our peer group was comprised of 21 companies in the medical device and biotechnology industries listed below, of which 18 were also part of our peer group in the prior year. With respect to Insulet, in particular, the committee recognized that the company is significantly larger than us based on revenue, market capitalization and number of employees, but determined that it should be included in our 2017 peer group because it is a direct competitor and has similar operations and target customers.

- Arena Pharmaceuticals
- AtriCure
- Atrion
- BioTelemetry
- Cardiovascular Systems
- Cutera
- Endologix
- Entellus Medical
- Exactech
- Fluidigm
- Genmark Diagnostics
- Inogen
- Insulet
- Intersect ENT
- Invuity
- Orasure
- Quidel
- Senseonics Holdings
- Sientra
- Vascular Solutions
- Zeltiq Aesthetics

Most recently, the committee considered and approved an updated peer group for purposes of compensation decisions to be made in 2018. The 2018 peer group was based on similar factors as those used to determine our 2017 peer group, but our target market capitalization of peer companies was reduced in light of the decline of our stock value over the past year. In addition, we removed companies from the 2017 peer group that had been acquired during the past year. Accordingly, the new 2018 peer group is comprised of the 18 companies listed below, of which only nine were part of our 2017 peer group.

- Accuray
- Alphatec
- Cutera
- Endologix
- Entellus Medical
- Fluidigm
- Genmark Diagnostics
- Intersect ENT
- Iridex
- Invuity
- RTI Surgical
- Seaspine
- Senseonics Holdings
- Sientra
- STAAR Surgical
- Surmodics
- Transenterix
- Valeritas

In addition to serving as our independent compensation consultant, Marsh & McLennan has provided insurance brokerage services to us since 2014 and continues to do so. We have paid Marsh & McLennan commissions in connection with the insurance brokerage services that they provided to us during the relevant periods. The committee has considered whether the work of Marsh & McLennan as a compensation consultant has raised any potential conflicts of interest, taking into account the following factors: (i) the amount of fees paid by us to Marsh & McLennan as a percentage of that firm's total revenue, (ii) the provision of other services to us by Marsh & McLennan, (iii) Marsh & McLennan's policies and procedures that are designed to prevent conflicts of interest, (iv) any business or personal relationship of the individual compensation advisors with any member of the committee, (v) any business relationship of Marsh & McLennan or business or personal relationship of the individual compensation advisors, with any of our executive officers and (vi) any ownership of our stock by Marsh & McLennan or the individual compensation advisors. Based on the above factors, the committee has concluded that the work of Marsh & McLennan, including the work performed by the individual compensation advisors employed by Marsh & McLennan, has not created any

conflict of interest.

Compensation Elements

In light of the committee's review of the information provided by Marsh & McLennan as set forth above, and in furtherance of our compensation philosophy and objectives, the executive compensation program for our named executive officers generally consists of a base salary, a cash incentive program, equity-based awards and other benefits. For 2017, for the reasons discussed below, the committee approved discretionary bonuses for our named executive officers in lieu of adopting an incentive cash bonus plan.

Base Salary

We pay base salaries to attract and retain key executives with the necessary experience to contribute to our future growth and success. Base salaries reflect each executive officer's responsibility level, tenure with us, individual performance and business experience.

The committee establishes base salaries after reviewing industry compensation data and considering a number of other factors as discussed above. In order to attract executive talent and stay competitive in the market, the committee has historically targeted base salaries at approximately the 60th percentile of the salaries paid to executives with similar titles and levels of responsibility at our peer group companies.

However, the committee retains the discretion to adjust salaries based on a number of factors, including changing pay practices in our industry or geographic area, executive retention concerns, executive performance, and changes to our peer group. Salaries are reviewed periodically and adjusted as the committee deems necessary or appropriate. The committee may apply different criteria for making salary adjustments for different executives.

In January 2017, the committee determined to maintain the 2016 base salaries for each of our named executive officers that were employed by us in 2017, as follows:

Name	2017 Base Salary
Kim D. Blickenstaff	\$583,495
John Cajigas	\$375,000
Brian B. Hansen	\$375,000
John F. Sheridan	\$375,000

2017 Cash Bonus Plan

For 2017, the committee did not adopt an incentive cash bonus plan applicable to senior management personnel, including our named executive officers. The committee approved a target cash bonus amount for each named executive officer, but in light of the substantial unpredictability of our business in early 2017, it subsequently elected to make the determination of any cash bonus award for 2017, or 2017 Cash Bonus, entirely discretionary.

The 2017 base salary, target percentage and resulting target cash bonus amount for each named executive officer is set forth in the table below:

Name	2017 Base Salary	Target Percentage	Target Cash Bonus
Kim D. Blickenstaff	\$583,495	80	% \$466,796
John Cajigas	\$375,000	50	% \$187,500
Brian Hansen	\$375,000	50	% \$187,500
John F. Sheridan	\$375,000	50	% \$187,500

On February 26, 2018, the committee approved the payout of a 2017 Cash Bonus to each named executive officer other than Mr. Blickenstaff, who declined to be considered for a 2017 Cash Bonus. In determining the amount of the 2017 Cash Bonuses, the committee took into account a number of factors it deemed appropriate, including our financial performance relative to our internal budgets, our achievement of product development goals, and our cash position and overall financial condition. In particular, the committee considered the following strategic objectives that were achieved during 2017:

- commercial launches of t:slim X2 with G5 and our proprietary t:lock Connector;
- first successful use of the Tandem Device Updater;
- consistently superior customer service rankings;
-

successful transition of our manufacturing capabilities to our Barnes Canyon facility and the accomplishment of manufacturing process improvements;
• meaningful progress towards the achievement of our financial goals, including our revenue and operating margin objectives;
• completion of key regulatory and quality control objectives; and
• advancement of our products under development in clinical trials.

The committee also considered the likely impact of making the 2017 Cash Bonus payments on our ability to motivate and retain our key employees in a manner that is compatible with the long-term interests of our stockholders.

Based on the consideration of these factors, as well as other factors deemed appropriate by the committee, the committee approved the following 2017 Cash Bonuses to the following named executive officers:

Name	2017 Cash Bonus
John Cajigas ⁽¹⁾	\$164,813
Brian Hansen	\$164,813
John F. Sheridan	\$164,813

(1)Mr. Cajigas was paid a 2017 Cash Bonus pursuant to the terms of his Retirement Agreement. For additional information, see the section entitled “Recent Executive Compensation Changes” below.

Equity-Based Awards

In keeping with our executive compensation philosophy, the committee believes that meaningful equity ownership is important to align the interests of our executives with those of our stockholders and to provide our executives with incentives to create long-term value for our stockholders. The executives' interests are aligned with those of our stockholders because, as the value of our company increases over time, the value of the executives' equity grants increases as well. The committee also believes that granting equity awards that vest over time promotes the retention of our executives.

In connection with our initial public offering, our board of directors and stockholders approved our 2013 Plan, which allows for the issuance of equity awards to our officers, directors and employees in the form of stock options, restricted stock, stock appreciation rights, or SARs, and restricted stock units, or RSUs.

When determining the number of equity awards to be granted to each executive, the committee generally considers several factors, including the position and level of responsibility of the executive, the executive's tenure with us, and survey data regarding the level of equity ownership by executives with similar titles and levels of responsibility at the surveyed companies. The committee also takes into account our achievement of significant milestones during the period prior to the grant date, such as completing financing transactions or receiving regulatory clearance or approval to commercialize products. More recently, the committee has also considered that (i) a significant portion of our outstanding option awards to employees are substantially "out of the money", and therefore lack meaningful retention incentive, and (ii) the fact that there are limited shares available for future issuance under our 2013 Plan, aside from the shares underlying outstanding stock option awards.

In May 2017, in light of the various factors described above, our independent directors approved the grant of stock options to each of our named executive officers pursuant to our 2013 Plan as set forth in the table below:

Name	Aggregate Number of Option Awards (#)
Kim D. Blickenstaff	31,500
John Cajigas	10,500
Brian B. Hansen	10,500
John F. Sheridan	10,500

Each of these options has an exercise price of \$9.00 per share and vests over a period of 48 months, with 25% of the shares vesting on the date that is 12 months following the date of grant, and the remaining 75% of the shares vesting in equal monthly installments over the remaining 36 months.

Additionally, in November 2017, the committee approved the grant of stock options to Messrs. Hansen and Sheridan pursuant to our 2013 Plan as set forth in the table below:

Name	Aggregate Number of Option
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Awards
(#)

Brian B. Hansen 100,000

John F. Sheridan 100,000

The number of options granted was also determined by reference to the factors discussed above. However, Mr. Blickenstaff declined to participate in the grant and did not receive an award, and Mr. Cajigas was not granted an award.

Each of these options has an exercise price of \$2.59 per share and vests over a period of 24 months, with 50% of the shares vesting on the date that is 12 months following the date of grant, and the remaining 50% of the shares vesting in equal monthly installments over the remaining 12 months; provided, that each of the options is subject to and conditioned upon the approval by our stockholders of an increase to the number of shares reserved for issuance under our 2013 Plan. If our stockholders do not approve this increase prior to December 31, 2018, then such option awards will automatically terminate.

We expect that future equity awards will be granted to our named executive officers and other employees pursuant to our 2013 Plan, subject to obtaining the approval of our stockholders for an increase in the number of shares reserved for issuance under our 2013 Plan. For additional information about the proposal to amend our 2013 Plan, see the section entitled "Proposal 4: Approval of the Amendments to our 2013 Plan".

Benefits

We have adopted a defined contribution 401(k) plan for the benefit of our employees. Employees are eligible to participate in the plan beginning on the first day of the calendar quarter following their date of hire. Under the terms of the plan, employees may make voluntary contributions as a percent of compensation. We do not match contributions at this time.

In June 2014, we adopted and approved the Deferred Compensation Plan. The Deferred Compensation Plan is a non-qualified deferred compensation program that we sponsor to provide non-employee directors and certain of our management employees designated by our board of directors the opportunity to defer compensation under the plan. The effective date for the Deferred Compensation Plan for the first year was July 1, 2014, and thereafter the plan year runs from January 1 to December 31. We established a trust for the purpose of reserving any benefits that may become payable under the Deferred Compensation Plan. Participation in the Deferred Compensation Plan was limited since its adoption, and none of our independent directors ever participated in the plan. In light of the limited utilization of the Deferred Compensation Plan and the expenses associated with maintaining the plan, in May 2017, our board of directors terminated the Deferred Compensation Plan and no deferrals have been contributed to the plan since then. All contributions by a participant remain fully vested. Distributions from the Deferred Compensation Plan will be governed by the Internal Revenue Code and the terms of the plan.

We also offer a standard benefits package that we believe is necessary to attract and retain key executives. Our named executive officers are eligible to participate in our health and welfare benefit plans. We also pay the premiums for long-term disability insurance and life insurance for our named executive officers.

Hedging and Pledging Policy

Our Insider Trading Policy prohibits our employees, including our named executive officers, from engaging in transactions to “hedge” ownership of our stock, including short sales or trading in any derivatives involving our securities. We believe this policy is consistent with good corporate governance and with our pay-for-performance compensation model. Our policies also prohibit pledging of our Common Stock. There are no outstanding pledged shares.

Clawback Policy

In accordance with the provisions of Section 304 of the Sarbanes-Oxley Act, if we are required, as a result of misconduct, to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws, our chief executive officer and chief financial officer may be legally required to reimburse us for any bonus or other incentive-based or equity-based compensation they received as a result of the material noncompliance.

Tax and Accounting Considerations

In making executive compensation decisions, the committee considers the impact of the provisions of Section 162(m) of the Code, as amended by the Tax Cuts and Jobs Act, or TCJA. That section generally limits the deductibility of compensation paid by a publicly-held company to “covered employees” for a taxable year to \$1.0 million. Effective for taxable years beginning on and after January 1, 2018, “covered employees” generally include our Chief Executive Officer, Chief Financial Officer and other highly compensated executive officers. Effective for taxable years beginning prior to January 1, 2018, an exception to this deduction limit applied to “performance-based compensation,” such as cash incentive and stock option awards that satisfied certain criteria. This exception to the Section 162(m) deduction limit for “performance-based compensation” was repealed by the TCJA. Thus, except for certain

“performance-based compensation” payable pursuant to written contracts that were in effect on November 2, 2017 and that are not modified in any material respect on or after that date, effective for taxable years beginning on and after January 1, 2018 our tax deduction with regard to compensation of “covered employees” is limited to \$1.0 million per taxable year with respect to each executive officer. With respect to cash and equity awards that were in effect on November 2, 2017, and that are not modified in any material respect on or after that date, the committee is mindful of the benefit to us and our stockholders of the full deductibility of compensation and have taken steps so that both the cash incentive and stock option awards that we granted may qualify for deductibility under Section 162(m) of the Code. However, awards that we granted that were intended to qualify as “performance-based compensation” may not necessarily qualify for such status under Section 162(m) of the Code. With respect to cash incentive and equity awards that we may grant in the future, we do not anticipate that the \$1.0 million deduction limitation set forth in Section 162(m) of the Code will have a material impact on our results of operations.

The committee also considers the impact of Section 409A of the Code, and in general, our executive plans and programs are designed to comply with the requirements of that section so as to avoid possible adverse tax consequences that may result from noncompliance.

Employment Agreements

We have not entered into employment agreements with any of our current executive officers.

Employment Severance Agreements

Our board of directors has approved employment severance agreements with all of our senior management personnel, including our named executive officers. Our board of directors believes it is important to provide our executive officers with severance benefits under limited circumstances in order to provide them with enhanced financial security and sufficient incentive and encouragement to remain employed by us.

Pursuant to the terms of each of the severance agreements, if within three months prior or 12 months following a change of control (as defined in the severance agreements), the executive officer's employment is terminated as a result of (i) an involuntary termination or (ii) a resignation for good reason (each as defined in the severance agreements), then the executive will continue to receive salary at the salary amount in effect at the time of such termination (less applicable withholdings and deductions) for the applicable severance period beginning immediately following such termination, as well as the executive's target bonus for the year in which the termination occurs. The executive will also vest in and have the right to exercise all outstanding options, restricted stock awards and SARs that were unvested as of the date of such termination. Additionally, all of our repurchase rights with respect to any vested and unvested restricted stock will lapse and any right to repurchase any of our Common Stock will terminate.

If within 12 months following a change of control, the executive officer's employment is terminated as a result of voluntary resignation, termination for cause, disability or death, then the executive officer will not be entitled to receive severance change of control benefits except for those as may be established under our then-existing severance and benefit plans and practices or pursuant to other written agreements between us and such executive officer.

Pursuant to the terms of each of the severance agreements, upon the termination of the executive officer's employment for any reason, we will pay the executive:

- any unpaid base salary due for periods prior to the termination date;
- all of the executive's accrued paid time off through the termination date; and
- all expenses reasonably and necessarily incurred and submitted on proper expense reports in connection with our business prior to the termination date.

The severance agreements are substantially identical for each of the executive officers except that the severance period for Mr. Blickenstaff is 24 months and the severance period for each of Messrs. Hansen and Sheridan is 18 months.

The benefits payable under the severance agreements may be immediately terminated in certain circumstances, including the unauthorized use by an executive officer of our material confidential information or any prohibited or unauthorized competitive activity undertaken by an executive officer.

Recent Executive Compensation Changes

Retirement and Separation Agreement with John Cajigas

On December 7, 2017, we entered into a Retirement and Separation Agreement, or Retirement Agreement, with Mr. Cajigas, pursuant to which he continued to serve as a full-time employee with us through December 31, 2017, which we refer to as the Separation Date. The Retirement Agreement replaced our Amended and Restated Severance Agreement with Mr. Cajigas, dated November 4, 2013, and provided that we were obligated to provide Mr. Cajigas with, among other things, the following: (i) a cash severance payment in the aggregate amount of \$375,000, of which \$150,000 was paid on January 5, 2018, and \$225,000 will be paid in equal installments in a manner consistent with our customary payroll schedule, commencing on July 6, 2018 and ending on December 31, 2018, (ii) the payment of the 2017 Cash Bonus, and (iii) a one-time grant of 80,000 unregistered shares of our Common Stock. In addition, certain stock options previously granted to Mr. Cajigas became immediately vested in full, and the period during

which he will be permitted to exercise the options has been extended to December 31, 2019, subject to earlier termination as described in the Retirement Agreement.

Compensation Arrangement with Leigh A. Vosseller

Effective January 1, 2018, Leigh A. Vosseller, who previously served as our Senior Vice President of Finance, was promoted to Senior Vice President, Chief Financial Officer and Treasurer. In connection with her promotion, the committee approved an increase to Ms. Vosseller's base salary from \$275,834 to \$345,000 effective January 1, 2018. In addition, the committee approved a target 2018 Cash Bonus for Ms. Vosseller in an amount equal to 50% of base salary for fiscal year 2018. For additional information, see the section entitled "2018 Cash Bonus Plan".

Compensation Arrangement with Kim Blickenstaff

On January 5, 2018, at Mr. Blickenstaff's request, our board of directors approved a reduction in Mr. Blickenstaff's base salary from his base salary of \$583,495 for 2017, or the Prior Base Salary, to \$1.00 for 2018. In connection with the reduction in base salary, our board of directors also approved the adoption of a cash bonus arrangement that will be utilized to calculate the cash bonus, if any, that may become payable to Mr. Blickenstaff with respect to fiscal year 2018, or the 2018 Blickenstaff Cash Bonus. The target cash bonus amount for Mr. Blickenstaff will be set at \$583,495, reflecting an amount equal to 100% of the Prior Base Salary. The 2018 Blickenstaff Cash Bonus may be earned based on the achievement of each of the following: (i) the Company's actual revenue for fiscal year 2018 must be at least equal to a pre-established 2018 revenue target, (ii) the Company's actual operating margin for fiscal year 2018 must be at least equal to a pre-established 2018 operating margin target, and (iii) the Company's Earnings before Interest, Taxes, Depreciation and Amortization (excluding stock-based compensation and any payment of the 2018 Blickenstaff Cash Bonus) must be positive for the fourth fiscal quarter of 2018. If we do not achieve all of the financial performance objectives, no 2018 Blickenstaff Cash Bonus will be paid. If we achieve all of the financial performance objectives, the 2018 Blickenstaff Cash Bonus will be paid to Mr. Blickenstaff in full by no later than March 15, 2019. Mr. Blickenstaff will not be eligible for any additional cash incentive compensation for his service during 2018. We are continuing to provide Mr. Blickenstaff with standard healthcare and insurance benefits that are generally consistent with the benefits provided to the other members of our senior management team. Furthermore, for purposes of calculating any severance benefits for Mr. Blickenstaff as described above under the heading "Employment Severance Agreements", Mr. Blickenstaff's benefits will be determined on the basis of his Prior Base Salary and target cash bonus for 2017.

2018 Cash Bonus Plan

On March 5, 2018, the committee approved the adoption of a cash incentive plan that will be utilized to calculate the cash bonuses that may become payable to our executive officers other than Mr. Blickenstaff and other senior management personnel with respect to fiscal year 2018, which is referred to as the 2018 Cash Bonus Plan. The 2018 Cash Bonus Plan is designed to align the interests of plan participants with our business goals and strategies, and to further the objectives of our executive compensation program. As discussed below, the 2018 Cash Bonus Plan is intended to reward plan participants for their individual contributions to our achievement of pre-established financial performance objectives for fiscal year 2018 and significant product development milestones.

Target Cash Bonus Amount

The target cash bonus amount for each plan participant is set as a percentage of the participant's base salary as determined by the committee. The 2018 base salary, target percentage and resulting target cash bonus amount for each eligible named executive officer is set forth in the table below:

Name	2018 Base Salary	Target Percentage	Target Cash Bonus
Brian Hansen	\$386,250	50%	\$193,125
John Sheridan	\$386,250	50%	\$193,125

Company Performance Objectives

Cash bonuses may be earned under the 2018 Cash Bonus Plan based on our achievement of specified financial performance objectives and product development milestones. The percentage of the target cash bonus for each named

executive officer that is subject to the financial objectives and product development milestones, respectively, is set forth in the table below:

Targets	Percentage of Target Bonus
Financial Performance Objectives	80%
Product Development Milestones	20%
TOTAL	100%

Bonus payments under the 2018 Cash Bonus Plan, if any, will be made at the discretion of our board of directors or the committee. The financial performance components and product development components of the 2018 Cash Bonus Plan may be earned independent of one another. If we do not achieve any portion of any of the financial performance components or the product development components of the 2018 Cash Bonus Plan, no payouts will be made unless our board of directors or the committee, in their sole discretion, determines that there are other factors that merit consideration in the determination of bonus awards, which may be determined on an individual basis.

Company Financial Performance Objectives

The portion of the cash bonuses that relates to our financial objectives may be earned based on our actual revenue for 2018 as compared to a pre-established 2018 revenue target, or the Revenue Target, provided we also achieve at least a minimum operating margin percentage, or the Minimum Operating Percentage Target. Subject to the foregoing, the financial objective portion of the cash bonuses may be earned under the 2018 Cash Bonus Plan as follows:

- A minimum percentage growth rate over our actual 2018 revenue, which places our revenue for 2018 at 75% of the Revenue Target, or the Minimum Revenue Target, must be achieved for any bonus to be earned under the financial performance objectives portion of the 2018 Cash Bonus Plan.
- If our actual 2018 revenue is between this Minimum Revenue Target and the Revenue Target, the goal achievement for the financial performance objective will be calculated proportionately in a straight-line from 0% to 100%. If our actual revenue exceeds the Revenue Target, the goal achievement for the financial performance objective will be calculated proportionately as a percentage of the Revenue Target.
- No more than 90% payout can be earned under the financial objective portion of the 2018 Cash Bonus Plan unless we meet an EBITDA Goal, which requires our actual quarterly Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA), and further excluding non-cash stock based compensation expense and any payment of the 2018 Cash Bonus payable to our chief executive officer, for 2018 to be positive.

Company Product Development Milestones

The portion of the cash bonuses that relates to our product development milestones generally require us to submit regulatory filings or obtain regulatory clearance and commercially launch certain products under development. Subject to the committee's final discretion, an individual product development milestone must be achieved within a required time period for the applicable portion of the 2018 Cash Bonus Plan to be achieved. Overall goal achievement of our product development milestones will be based on the portion of the product development milestones that we actually achieve during 2018.

Potential Incremental Bonus

If our actual 2018 revenue is above 105% of the Revenue Target, and provided that we also achieve both the EBITDA Goal and a secondary minimum operating margin percentage target that reflects more favorable performance as compared to the Minimum Operating Percentage Target, then the 2018 Cash Bonus Plan has two levels of potential incremental overall goal achievement:

- If our actual revenue is above 105% of the Revenue Target and up to 115% of the Revenue Target, the percentage of overall goal achievement under the 2018 Cash Bonus Plan will first be calculated as described above, and then the overall goal achievement under the 2018 Cash Bonus Plan will be multiplied by an amount equal to 100% plus one times each percent of revenue achievement above 105% of the Revenue Target and up to 115% of the Revenue Target, and the cash bonus will be calculated based on this modified level of goal achievement; or
- If our actual revenue is above 115% of the Revenue Target, the percentage of overall goal achievement under the 2018 Cash Bonus Plan will first be calculated as described above, and then the overall goal achievement under the 2018 Cash Bonus Plan will be multiplied by an amount equal to 100% plus two times each percent of revenue achievement above 105% of the Revenue Target, and the cash bonus will be calculated based on this modified level of goal achievement.

Compensation Risk Assessment

We believe that, although a portion of the compensation provided to our executives and other employees is subject to the achievement of specified company performance criteria, our executive compensation program does not encourage excessive or unnecessary risk-taking. We do not believe our compensation programs are reasonably likely to have a

material adverse effect on us.

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Summary Compensation Table

The following table provides a summary of the compensation of our named executive officers for the fiscal years ended December 31, 2017, 2016 and 2015, as applicable:

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$) ⁽³⁾	Total (\$)
Kim D. Blickenstaff President and Chief Executive Officer	2017	\$583,495	\$-	\$160,338	\$ -	\$ 5,334	\$749,167
	2016	\$569,006	\$-	\$866,656	\$ -	\$ 2,772	\$1,438,434
	2015	\$566,310	\$-	\$1,093,333	\$ 392,959	\$ 2,772	\$2,055,374
John Cajigas Former Executive Vice President, and Chief Financial Officer	2017	\$389,423	\$164,813	\$53,546	\$ -	\$ 77,835	(4)\$685,617
	2016	\$365,000	\$109,500	\$523,351	\$ -	\$ 966	\$998,817
	2015	\$360,379	\$-	\$390,525	\$ 156,291	\$ 630	\$907,825
Brian B. Hansen Executive Vice President and Chief Commercial Officer ⁽⁵⁾	2017	\$375,000	\$164,813	\$53,546	\$ -	\$ 15,454	\$608,813
	2016	\$331,731	\$99,519	\$636,505	\$ -	\$ 180,252	(6)\$1,248,007
John F. Sheridan Executive Vice President and	2017	\$375,000	\$164,813	\$53,546	\$ -	\$ 3,734	\$597,093
	2016	\$365,000	\$109,500	\$523,351	\$ -	\$ 15,637	\$1,013,488