

CURIS INC
Form DEF 14A
April 15, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission

Only (as permitted by Rule 14a-6(e)(2))

- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

CURIS, INC.

(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CURIS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 27, 2015

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of Curis, Inc. will be held on May 27, 2015 at 10:00 a.m. at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109 for the purpose of considering and voting upon the following matters:

1. To elect three Class I directors, each for a term of three years;
2. To approve an amendment to our Amended and Restated 2010 Stock Incentive Plan to increase the number of shares authorized for issuance thereunder from 9,000,000 to 19,000,000 shares;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and
4. To transact any other business that may properly come before the meeting or any adjournment thereof.

The board of directors has fixed the close of business on March 30, 2015 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting and at any adjournments thereof. Your vote is very important to us. Whether or not you plan to attend the annual meeting in person, your shares should be represented and voted.

In accordance with rules adopted by the Securities and Exchange Commission, we are now furnishing proxy materials to many of our stockholders on the Internet, rather than mailing paper copies of the materials to each stockholder. If you received only a Notice of Internet Availability of Proxy Materials, or Notice, by mail or e-mail, you will not receive a paper copy of the proxy materials unless you request one. Instead, the Notice will provide you with instructions on how to access and view the proxy materials on the Internet. The Notice will also instruct you as to how you may access your proxy card to vote over the Internet or by telephone. If you received a Notice by mail or e-mail and would like to receive a paper copy of our proxy materials, free of charge, please follow the instructions included in the Notice.

The Notice of Internet Availability of Proxy Materials is being mailed to our stockholders on or about April 15, 2015 and sent by e-mail to our stockholders who have opted for such means of delivery on or about April 15, 2015.

Please promptly submit your proxy over the Internet, by phone or by mail. You may revoke your proxy at any time before the 2015 Annual Meeting by following the procedures described in the proxy statement.

All stockholders are cordially invited to attend the meeting.

By Order of the Board of Directors,

/s/ Michael P. Gray

Michael P. Gray

Chief Financial Officer
and Chief Business Officer, Secretary

Lexington, Massachusetts

April 15, 2015

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE URGE YOU TO VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE, OR TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES.

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CURIS, INC.

4 Maguire Road

Lexington, Massachusetts 02421

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 27, 2015

This proxy statement is furnished in connection with the solicitation by the board of directors of Curis, Inc. of proxies for use at the annual meeting of stockholders to be held on May 27, 2015 at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109 and at any adjournments thereof. Except where the context otherwise requires, references to Curis, we, us, our, and similar terms refer to Curis, Inc. and its subsidiaries.

Important Notice Regarding the Availability of Proxy Materials for

the Annual Meeting of Stockholders to be Held on May 27, 2015:

The proxy statement is available at www.proxyvote.com.

We will, upon written or oral request of any stockholder, furnish copies of our 2014 annual report to stockholders, except for exhibits, without charge. Please address all such requests to us at 4 Maguire Road, Lexington, Massachusetts 02421, Attention: Secretary, or telephone: (617) 503-6500.

In accordance with Securities and Exchange Commission, or SEC, rules, instead of mailing a printed copy of our proxy materials to each stockholder of record, we are furnishing the proxy materials, including this proxy statement, our 2014 annual report and the proxy card for the 2015 annual meeting, to many of our stockholders of record as of the record date via the Internet. We will send the Notice of Internet Availability of Proxy Materials to these stockholders on or about April 15, 2015. The Notice of Internet Availability of Proxy Materials contains instructions for accessing and reviewing our proxy materials as well as instructions for voting your proxy via the Internet. If you prefer to receive printed copies of the proxy materials, you can request printed copies of the proxy materials by Internet, telephone or e-mail. If you choose to receive the print materials by mail, you can either (i) complete, date, sign and return the proxy card, (ii) vote via the Internet in accordance with the instructions on the proxy card or (iii) vote via telephone (toll free) in the United States or Canada in accordance with the instructions on the proxy card. Voting by Internet or telephone must be completed by 11:59 P.M. Eastern Time on May 26, 2015. If you choose not to receive printed copies of the proxy materials, you can vote via the Internet in accordance with the instructions contained in the Notice of Internet Availability of Proxy Materials.

If you received a paper copy of these proxy materials, included with such copy is a proxy card or a voter instruction card for the annual meeting.

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INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, stockholders will consider and vote on the following matters:

1. The election of three Class I directors for a term of three years expiring at the 2018 annual meeting of stockholders;
2. To approve an amendment to our Amended and Restated 2010 Stock Incentive Plan, or the Amended and Restated 2010 Plan, to increase the number of shares authorized for issuance thereunder from 9,000,000 to 19,000,000 shares;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and
4. The transaction of other business, if any, that may properly come before the annual meeting or any adjournment of the meeting.

Who can vote?

To be able to vote on the above matters, you must have been a stockholder of record at the close of business on March 30, 2015, the record date for the annual meeting. The number of shares entitled to vote at the meeting is 128,335,695 shares of our common stock, which is the number of shares that were outstanding on the record date.

How many votes do I have?

Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on.

Is my vote important?

Your vote is important regardless of how many shares you own. Please take the time to read the instructions below and vote. Choose the method of voting that is easiest and most convenient for you and please cast your vote as soon as possible.

How can I vote?

Stockholder of record: Shares registered in your name. If you are a stockholder of record, that is, your shares are registered in your own name, not in street name by a bank or brokerage firm, then you can vote in any one of the following ways:

1. **You may vote over the Internet.** If you have Internet access, you may vote your shares from any location in the world at www.proxyvote.com, by following the instructions on that site or on the "Vote by Internet" instructions on the enclosed proxy card.
2. **You may vote by telephone.** You may vote your shares by calling 1-800-690-6903 and following the instructions provided, or by following the "Vote by Phone" instructions on the enclosed proxy card.

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3. **You may vote by mail.** To vote by mail, you need to complete, date and sign the proxy card that accompanies this proxy statement and promptly mail it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it in the United States. The persons named in the proxy card will vote the shares you own in accordance with your instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this proxy statement, the persons named in the proxy card will vote the shares you own in accordance with the recommendations of our board of directors. Our board of directors recommends that you vote FOR each of the three proposals.

4. **You may vote in person.** If you attend the annual meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot which will be available at the meeting.

Beneficial owner: Shares held in street name. If the shares you own are held in street name by a bank or brokerage firm, then your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your bank or brokerage firm on your vote instruction form. If you do not give instructions to your bank or brokerage firm, it will still be able to vote your shares with respect to certain discretionary items, but will not be allowed to vote your shares with respect to certain non-discretionary items. The election of directors (Proposal 1) and the approval of an amendment to the Amended and Restated 2010 Plan (Proposal 2) are considered to be non-discretionary items on which banks and brokerage firms may not vote, and therefore **if you do not instruct your broker or representative regarding how you would like your shares to be voted, your bank or brokerage firm will not be able to vote on your behalf with respect to Proposals 1 and 2.** These shares will be treated as broker non-votes. *Broker non-votes* are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote on a particular matter. The ratification of the appointment of our independent registered public accounting firm (Proposal 3) is considered to be a discretionary item on which banks and brokerage firms may vote.

If you wish to come to the meeting to personally vote your shares held in street name, you will need to obtain a proxy card from the holder of record (i.e., your brokerage firm or bank).

Can I change my vote after I have mailed my proxy card?

Yes. If you are a stockholder of record, you can change your vote and revoke your proxy at any time before the polls close at the annual meeting by doing any one of the following things:

signing and returning another proxy card with a later date;

giving our corporate secretary a written notice before or at the meeting that you want to revoke your proxy; or

voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

If you own shares in street name, your bank or brokerage firm should provide you with appropriate instructions for changing your vote.

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What constitutes a quorum?

In order for business to be conducted at the meeting, a quorum must be present. A quorum consists of the holders of a majority of the shares of common stock outstanding and entitled to vote at the meeting, that is, at least 64,167,848 shares.

Shares of our common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists.

If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What vote is required for each item?

Proposal 1 Election of Directors. The affirmative vote of the holders of a plurality of the votes cast by the stockholders entitled to vote on the matter is required for the election of directors.

Proposal 2 Approval of an amendment to the Amended and Restated 2010 Plan. The affirmative vote of the holders of a majority of the votes cast will be required to amend the Amended and Restated 2010 Plan.

Proposal 3 Ratification of Independent Auditors. The affirmative vote of the holders of a majority of the votes cast will be required for the approval of the ratification of the selection of the independent registered public accounting firm for the fiscal year ending December 31, 2015.

How will votes be counted?

Each share of common stock will be counted as one vote, whether executed by you directly or on a ballot voted in person at the meeting.

Shares that abstain from voting and broker non-votes will not be counted as votes in favor of, or with respect to, any of the proposals and will also not be counted as votes cast. Accordingly, abstentions and broker non-votes will have no effect on the outcome of any of the proposals.

Who will count the votes?

Broadridge Financial Solutions, Inc. will count, tabulate and certify the votes.

How does the board of directors recommend that I vote on the proposals?

Our board of directors recommends that you vote:

FOR the election of three Class I directors for a term of three years expiring at the 2018 annual meeting of stockholders;

FOR the approval of an amendment to our Amended and Restated 2010 Plan; and

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

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Will any other business be conducted at the annual meeting or will other matters be voted on?

We are not aware of any other business to be conducted or matters to be voted upon at the meeting. If any other matter properly comes before the meeting, the persons named in the proxy card that accompanies this proxy statement will exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal. Our bylaws establish the process for a stockholder to bring a matter before a meeting. See [Stockholder Proposals for 2016 Annual Meeting](#) on page 64 of this proxy statement.

Where can I find the voting results?

We will report the voting results from the annual meeting in a Form 8-K filed with the SEC within four business days following the annual meeting.

Who bears the costs of soliciting proxies?

We will bear the costs of soliciting proxies. In addition to solicitations by mail, our directors, officers and regular employees may, without additional remuneration, solicit proxies by telephone, facsimile and personal interviews. We will also request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy material to those persons for whom they hold shares and request instructions for voting the proxies. We will reimburse such brokerage houses and other persons for their reasonable expenses in connection with this distribution.

How can I obtain a copy of Curis Annual Report on Form 10-K?

Our Annual Report on Form 10-K is available in the [Investors](#) section of our website at www.curis.com. Alternatively, if you would like us to send you a copy, without charge, please contact:

Curis, Inc.

4 Maguire Road

Lexington, MA 02421

Attention: Secretary

(617) 503-6500

If you would like us to send you a copy of the exhibits listed on the exhibit index of the Annual Report on Form 10-K, we will do so upon your payment of our reasonable expenses in furnishing a requested exhibit.

Whom should I contact if I have any questions?

If you have any questions about the annual meeting or your ownership of our common stock, please contact our secretary at the address or telephone number listed above.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of March 31, 2015, with respect to the beneficial ownership of shares of our common stock by:

each person known to us to beneficially own more than 5% of the outstanding shares of common stock,

each director named in this proxy statement,

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each of our principal executive officer, our principal financial officer and one other most highly compensated executive officer, all of whom were serving as executive officers on December 31, 2014, and our former chief executive officer, whom we refer to collectively as our named executive officers, and

all directors and executive officers as a group.

As of March 31, 2015, we had 128,337,695 shares of common stock outstanding. The number of shares of common stock beneficially owned by each person is determined under rules promulgated by the SEC and includes shares over which the indicated beneficial owner exercises voting and/or investment power. For each person named in the table below, the number in the Shares Acquirable Within 60 Days column consists of shares underlying stock options that may be exercised within 60 days after March 31, 2015. Such options are deemed outstanding for computing the percentage ownership of the person holding the options but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated, we believe that each stockholder in the table has sole voting and investment power over the shares listed. The inclusion in the table of any shares does not constitute an admission of beneficial ownership of those shares by the named stockholder. For each person, the Number of Shares Beneficially Owned column may include shares of common stock attributable to the person due to that person's voting or investment power or other relationship.

Unless otherwise indicated, the address for each of the stockholders in the table below is c/o Curis, Inc., 4 Maguire Road, Lexington, Massachusetts 02421.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned (1)	+	Shares Acquirable Within 60 Days	=	Total Number of Shares Beneficially Owned	Percent of Shares Beneficially Owned (2)
5% Stockholders:						
First Eagle Investment Management, LLC (3)	24,008,672				24,008,672	18.71%
Aurigene Discovery Technologies Limited (4)	17,120,131				17,120,131	13.34%
FMR LLC (5)	16,628,799				16,628,799	12.96%
Directors and Named Executive Officers:						
James R. McNab, Jr. (6)	1,379,688		388,333		1,768,021	1.37%
Martyn D. Greenacre	35,138		238,333		273,471	*
Kenneth I. Kaitin, Ph.D.	26,800		238,333		265,133	*
Robert E. Martell, M.D., Ph.D.			130,208		130,208	
Kenneth J. Pienta, M.D.	30,000		150,521		180,521	*
Marc Rubin, M.D.	26,596		158,333		184,929	*
James R. Tobin	144,921		185,833		330,754	*
Daniel R. Passeri (7)	198,898		2,737,833		2,936,731	2.24%
Ali Fattaey, Ph.D.	65,890		250,000		315,890	*
Michael P. Gray	107,304		1,473,435		1,580,739	1.22%
Jaye Viner, M.D.			182,812		182,812	*
All current directors and executive officers as a group (11 persons)	2,015,235		6,133,974		8,149,209	6.06%

* Less than 1% of the outstanding common stock.

(1) None of our directors or named executive officers has pledged any of their shares as security.

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- (2) The percent of ownership for each stockholder on March 31, 2015 is calculated by dividing (1) the stockholder's total beneficial ownership (i.e., the total number of shares beneficially owned plus the shares acquirable within 60 days) by (2) the sum of (i) 128,337,695 shares of our common stock that were outstanding on March 31, 2015 and (ii) shares of common stock subject to options held by such person that will be exercisable within 60 days of March 31, 2015.
- (3) This information is based on a Schedule 13G/A filed with the SEC on March 9, 2015 by First Eagle Investment Management, LLC (FEIM). The principal business address of FEIM is 1345 Avenue of the Americas, New York, New York 10105. FEIM is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940. 21 April Fund, Ltd., a Cayman Islands company for which FEIM acts as investment adviser, beneficially owns 9,806,077 of these shares and First Eagle Value Biotech Master Fund Ltd., a Cayman Islands company for which FEIM acts as investment adviser, beneficially owns 8,173,071 of these shares.
- (4) This information is based on a Schedule 13G filed with the SEC on January 28, 2015 by Aurigene Discovery Technologies Limited. The principal business address of Aurigene Discovery Technologies Limited is 39-40, KIADB Industrial Area, Phase II, Electronic City Hosur Road, Bangalore 560100 Karnataka India.
- (5) This information is based on a Schedule 13G filed with the SEC on March 10, 2015 by FMR LLC. The principal business address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.
- (6) Includes 1,079,688 shares held directly by Mr. McNab, 50,000 shares held by McNab Family LLC, and 250,000 shares held by JR & MW McNab Operating LP.
- (7) Mr. Passeri served as our chief executive officer until June 2014. Mr. Passeri currently serves as vice chairman of our board of directors.

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Our board of directors is divided into three classes, with one class being elected each year and members of each class holding office for a three-year term. Our board of directors currently consists of three Class I directors, James R. McNab, Jr., Kenneth J. Pienta, M.D., and James R. Tobin, three Class II directors, Robert E. Martell, M.D., Ph.D., Daniel R. Passeri and Marc Rubin, M.D., and three Class III directors, Ali Fattaey, Ph.D., Martyn D. Greenacre and Kenneth I. Kaitin, Ph.D. The Class I, Class II, and Class III directors will serve until the annual meetings of stockholders to be held in 2015, 2016 and 2017 respectively, and until their respective successors are elected and qualified. At the annual meeting, Class I directors will stand for reelection.

Our board of directors has nominated Mr. James R. McNab, Jr., Dr. Kenneth J. Pienta and Mr. James R. Tobin as nominees for reelection as Class I directors, each to serve for a three-year term, until the 2018 annual meeting of stockholders or until their respective successors are elected and qualified. Each of the nominees is currently a director. Each of the nominees have indicated his willingness to serve, if elected; however, if any nominee should be unable to serve, the shares of common stock represented by proxies will be voted for a substitute nominee designated by the board of directors.

Below are the names, ages and certain other information for each member of the board, including the nominees for election as Class I directors. There are no familial relationships among any of our directors, nominees for director and executive officers. In addition to the detailed information presented below for each of our directors, we also believe that each of our directors is qualified to serve on our board and has the integrity, business acumen, knowledge and industry experience, diligence, freedom from conflicts of interest and the ability to act in the interests of our stockholders.

The following table sets forth our directors and their respective ages and positions:

Name	Age	Position
Ali Fattaey, Ph.D.	50	President and Chief Executive Officer, Director
Martyn D. Greenacre (2)(3)	73	Director
Kenneth I. Kaitin, Ph.D. (1)(2)	62	Director
Robert E. Martell, M.D., Ph.D. (1)(4)	52	Director
James R. McNab, Jr. (3)	71	Chairman of the Board
Daniel R. Passeri	54	Vice Chairman of the Board
Kenneth J. Pienta, M.D. (4)	55	Director
Marc Rubin, M.D. (2)(3)(4)	60	Director
James R. Tobin (1)	70	Director

- (1) Member of the compensation committee.
- (2) Member of the nominating and corporate governance committee.
- (3) Member of the audit committee.
- (4) Member of the science and technology committee.

Ali Fattaey, Ph.D. has served on our board since June 2014 and has served as our President and Chief Executive Officer since June 2014. From February 2013 to June 2014, Dr. Fattaey served as our President and Chief Operating Officer. Dr. Fattaey served as the President and Chief Executive Officer of ACT Biotech, Inc., a

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biotechnology company from January 2011 until February 2013 and as Chief Operating and Scientific Officer at ACT Biotech from February 2008 until December 2010. From June 2006 until January 2008, Dr. Fattaey served as the Director, Science and Technology at the Melanoma Therapeutics Foundation, a non-profit organization. From January 2005 until June 2006, Dr. Fattaey was a strategic consultant. From November 2001 until April 2004, Dr. Fattaey served as the Chief Scientific Officer of Sagres Discovery, a biotechnology company, and as the Senior Vice President of Discovery Research at Chiron Corporation, a biotechnology company, following Chiron's acquisition of Sagres Discovery from May 2004 until January 2005. Dr. Fattaey was employed at Onyx Pharmaceuticals, a biopharmaceutical company, from January 1994 until June 2001, and held the position of Vice President of Discovery Research from August 1998 until June 2001. Dr. Fattaey also serves as a director of EpiTherapeutics ApS, a Danish biotechnology company. Dr. Fattaey received his Ph.D. in microbiology from Kansas State University in 1989 and was a Research Fellow in Medicine at Harvard Medical School, Massachusetts General Hospital Cancer Center. We believe that Dr. Fattaey's qualifications to serve on our board include his past experience as President and Chief Executive Officer of ACT Biotech as well as his experience as a director of EpiTherapeutics ApS.

Martyn D. Greenacre has served on our board since February 2000 and was a director of Creative BioMolecules, Inc., a predecessor life science company, from June 1993 to July 2000. Mr. Greenacre has served as Chairman of Life Mist L.L.C., a privately-held company in the field of fire suppression, since September 2001. From June 1997 to June 2001, Mr. Greenacre was Chief Executive Officer of Delsys Pharmaceutical Corporation, a drug formulation company. From 1993 to 1997, Mr. Greenacre was President and Chief Executive Officer of Zynaxis, Inc., a biopharmaceutical company. Prior to Zynaxis, Inc., Mr. Greenacre served in various senior management positions at SmithKline Beecham, a pharmaceuticals company, from 1973 through 1992. Mr. Greenacre also serves as a director of Neostem, Inc., and Formula Pharmaceuticals. Previously, Mr. Greenacre served as a director of Acusphere, Inc., Cephalon, Inc. and Orchestra Therapeutics, Inc., and as a director and Chairman of BMP Sunstone Corporation. Mr. Greenacre received an M.B.A. from Harvard Business School and a B.A. from Harvard College. We believe that Mr. Greenacre's qualifications to serve on our board include his years of experience as President and Chief Executive Officer of various biotech and pharmaceutical companies as well as his experience as a director of other public companies.

Kenneth I. Kaitin, Ph.D. has served on our board since November 2003. Since July 1998, Dr. Kaitin has been the Director of the Tufts Center for the Study of Drug Development, an academic drug policy research group providing strategic information to help drug developers, regulators, and policy makers improve the quality and efficiency of the drug development process. Since August 2014, Dr. Kaitin has held a primary appointment as Professor at the Tufts University School of Medicine, as well as secondary appointments as Professor of Medicine and Professor of Integrative Physiology and Pathobiology at Tufts University School of Medicine. In December 2014, Dr. Kaitin received the appointment of Advisory Professor at Shanghai Medical College of Fudan University. Since September 1999, he has served on the faculty of the European Center for Pharmaceutical Medicine at the University of Basel, and since April 2006 he has been a Visiting Executive at the Tuck School of Business at Dartmouth College. At the Tufts University School of Medicine, Dr. Kaitin was a Research Associate Professor of Medicine from October 2003 to May 2008 and a Research Professor from May 2008 to August 2014. Dr. Kaitin has written extensively on a broad range of drug development issues and has provided public testimony before the U.S. Congress in hearings on pharmaceutical innovation and FDA reform. An internationally recognized expert on the science of drug development, Dr. Kaitin is regularly quoted in the business and trade press on R&D trends in the research-based drug industry and new models of innovation. In 2011, Dr. Kaitin received the Dr. Louis M. Sherwood Award granted by the Academy of Pharmaceutical Physicians and Investigators. Dr. Kaitin is a former Editor-in-Chief of the Drug Information Journal, and from

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1997 to 1998 he was President of the Drug Information Association. He is currently Editor-in-Chief of *Expert Review of Clinical Pharmacology*, and he serves on the editorial boards of a number of peer-review journals. Dr. Kaitin serves as an expert consultant to the U.S. Department of Defense on Bioterror Countermeasure issues. Dr. Kaitin received an M.S. and Ph.D. in pharmacology from the University of Rochester and a B.S. from Cornell University. We believe that Dr. Kaitin's qualifications to serve on our board include his expertise in the economics of drug development and biopharmaceutical innovation and his extensive knowledge on a broad range of drug development and life-sciences industry issues.

Robert E. Martell, M.D., Ph.D. has served on our board since September 2011. Dr. Martell is a practicing medical oncologist at Tufts Medical Center and has served as Chief Medical Officer at Tesaro, Inc., a biopharmaceutical company, since September 2012. Dr. Martell is also an Adjunct Associate Professor of Medicine at the Tufts University School of Medicine, a position he has held since September 2012. From September 2009 to September 2012, Dr. Martell was employed at Tufts Medical Center, serving as both the Director of the Neely Center for Clinical Cancer Research, overseeing oncology clinical research, and the Leader of the Cancer Center's Program in Experimental Therapeutics, where he was responsible for developing the center's phase I oncology clinical development program. From September 2009 to September of 2012, Dr. Martell was also an Associate Professor of Medicine at the Tufts University School of Medicine. From May 2005 to July 2009, Dr. Martell served as Vice President and Chief Medical Officer of MethylGene, a publicly-traded biotechnology company focused on the development of cancer therapeutics. From November 2002 to May 2005, Dr. Martell also served as Director of Oncology Global Clinical Research at Bristol-Myers Squibb Company, a biopharmaceutical company. From July 2001 to May 2005, Dr. Martell served concurrently as Assistant Clinical Professor of Oncology at Yale University School of Medicine and Staff Physician at the Veterans Affairs hospital. From July 2000 to October 2002, Dr. Martell worked at Bayer Corporation, Pharmaceutical Division, where he oversaw phase I and phase II clinical studies. Dr. Martell received a B.A. in chemistry from Kalamazoo College, a Ph.D. in pharmacology from the University of Michigan, and an M.D. from Wayne State University. He completed his internal medicine internship and residency and medical oncology fellowship at Duke University Medical Center. We believe that Dr. Martell's qualifications to serve on our board include his expertise in oncology patient care as well as his industry experience in large pharmaceutical and smaller biotechnology companies and that his insights and perspectives are valuable to a small biotechnology company such as Curis.

James R. McNab, Jr. has served on our board since February 2000 and has served as Chairman of our board since May 2002. Since 1998, Mr. McNab has served as Chief Executive Officer and Chairman of Palmetto Pharmaceuticals, Inc., formerly eNOS Pharmaceuticals, Inc., a privately-held drug discovery company of which he is a co-founder. Since January 2009, Mr. McNab has served as executive chairman of FirstString Research, Inc., a privately-held biopharmaceutical company. Mr. McNab recently founded JT Pharmaceuticals, Inc., a privately-held pain management drug discovery company and has served as its Chief Executive Officer and Chairman since June 2014. Mr. McNab was a co-founder and served as the chairman of the board of directors of Reprogenesis, Inc., a predecessor life science company, from July 1996 to July 2000. In addition, Mr. McNab has also founded other privately-held companies, including Sontra Medical Corporation, a drug delivery company, and Parker Medical Associates, a manufacturer and worldwide supplier of orthopedic and sports-related products. Mr. McNab also serves as a director of Titan Pharmaceuticals, Inc., a biopharmaceutical company. Mr. McNab received a B.A. in economics from Davidson College and an M.B.A. from the University of North Carolina at Chapel Hill. We believe that Mr. McNab's qualifications to serve on our board include his decades of experience as chairman, founder and/or Chief Executive Officer of various pharmaceutical, medical device and biotechnology companies, including his experience as co-founder of one of our predecessor companies.

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Mr. McNab has also founded and managed companies in other industries and we believe that his broad range of entrepreneurial creation and oversight is valuable to a small biotechnology company such as Curis.

Daniel R. Passeri has served as a director since September 2001 and has served as Vice Chairman of our board since June 2014. Mr. Passeri served as our Chief Executive Officer from September 2001 until June 2014, and additionally held the title of President from September 2001 to February 2013. Mr. Passeri has served as Chief Officer of Technology Management and Business Development of the Jackson Laboratory for Genomic Medicine since December 2014. From November 2000 to September 2001, Mr. Passeri served as our Senior Vice President, Corporate Development and Strategic Planning. From March 1997 to November 2000, Mr. Passeri was employed by GeneLogic Inc., a biotechnology company, most recently as Senior Vice President, Corporate Development and Strategic Planning. From February 1995 to March 1997, Mr. Passeri was employed by Boehringer Mannheim, a pharmaceutical, biotechnology and diagnostic company, as Director of Technology Management. Mr. Passeri received a J.D. from the National Law Center at George Washington University, an M.Sc. in biotechnology from the Imperial College of Science, Technology and Medicine at the University of London and a B.S. in biology from Northeastern University. We believe that Mr. Passeri's qualifications to serve on our board include his deep knowledge of the company, having served in a variety of management positions since 2000 and as a member of our board since September 2001, as well as his extensive experience in corporate strategy and development, intellectual property strategy and oversight, and technology licensing, as each of these elements are critical to our overall business strategy.

Kenneth J. Pienta, M.D. has served on our board since March 2013. Dr. Pienta has served as the Donald S. Coffey Professor of Urology, Professor of Oncology, Pharmacology and Molecular Sciences and as the Director of Research for the Brady Urological Institute at the Johns Hopkins University School of Medicine since March 2013. Prior to his appointment at the Johns Hopkins University School of Medicine, Dr. Pienta served as the Associate Vice President for Research, Health Sciences for the University of Michigan from January 2012 to February 2013, and as the Director of Precision Medicine for the Michigan Center for Translational Pathology from July 2008 to February 2013. From July 1995 to February 2013, Dr. Pienta served as the Director of the Prostate Specialized Program of Research Excellence (SPORE) at the University of Michigan. Dr. Pienta is involved in research to define the tumor microenvironment of cancer metastases, as well as developing new therapies for cancer. Dr. Pienta is a two-time American Cancer Society Clinical Research Professor Award recipient, is the author of more than 350 peer-reviewed articles and has been the principal investigator on numerous local and national clinical trials. Dr. Pienta received a B.A. in human biology from Johns Hopkins University and an M.D. from the Johns Hopkins University School of Medicine. We believe that Dr. Pienta's qualifications to serve on our board include his expertise in oncology patient care as well as his unique understanding of precision therapeutic approaches to cancer treatment and that his insights and perspectives are valuable to a small biotechnology company such as Curis.

Marc Rubin, M.D. has served on our board since June 2010. Since May 2009, Dr. Rubin has served as Executive Chairman of Titan Pharmaceuticals, Inc., a biopharmaceutical company, and he served as its President and Chief Executive Officer from October 2007 to December 2008. From June 2006 to February 2007, Dr. Rubin served as Head of Global Research and Development for Bayer Schering Pharma AG, a pharmaceutical company, as well as a member of the Executive Committee of Bayer Healthcare, a pharmaceutical and medical products company and subsidiary of Bayer AG, and the Board of Management of Bayer Schering Pharma AG. From October 2003 until the merger of Bayer AG and Schering AG in June 2006, Dr. Rubin was a member of the Executive Board of Schering AG, as well as Chairman of Schering Berlin Inc. and President of Berlex Pharmaceuticals, a division of Schering AG. From January 1990 to August 2003, Dr. Rubin held various

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positions in global clinical and commercial development at GlaxoSmithKline plc, a healthcare company, as well as the position of Senior Vice President of Global Clinical Pharmacology & Discovery Medicine from 2001 to 2003. Prior to his pharmaceutical industry career, Dr. Rubin completed subspecialty training and board certification in both medical oncology and infectious diseases at the National Cancer Institute within the National Institutes of Health from 1983 to 1986. From September 1986 to December 1989, Dr. Rubin also served as an Investigator and on the Senior Staff of the infectious diseases section at the National Cancer Institute. Dr. Rubin also serves as a director of FirstString Research, Inc., Galectin Therapeutics, Gemmus Pharma and the Rogosin Institute. Previously, Dr. Rubin served as a director of Medarex, Inc. and Surface Logix, Inc. Dr. Rubin holds an M.D. from Cornell University Medical College. We believe that Dr. Rubin's qualifications to serve on our board include his extensive experience in clinical development as well as his medical, commercial and scientific expertise having held executive-level clinical development positions with Bayer Schering Pharma AG, Schering AG and GlaxoSmithKline plc.

James R. Tobin has served on our board since February 2000. From April 1995 to July 2000, Mr. Tobin was a member of the board of directors of Creative BioMolecules, Inc., a predecessor life science company. Mr. Tobin is retired. From March 1999 to July 2009, Mr. Tobin served as Chief Executive Officer and President of Boston Scientific Corporation, a medical device company. Mr. Tobin was employed by Biogen, Inc., a biotechnology company, as President and Chief Executive Officer from February 1997 to December 1998 and President and Chief Operating Officer from February 1994 to February 1997. Prior to joining Biogen, Mr. Tobin was employed by Baxter International Inc., a health care products company, where he served as President and Chief Operating Officer from February 1992 to January 1994, as Executive Vice President from May 1988 to January 1992 and in various management positions prior to 1988. Mr. Tobin also serves as a director of Aptus Endosystems, Medical Simulations, Corporation, TransMedics, CardioDX and Oxford Immunotec, Inc. Previously, Mr. Tobin served as a director of Boston Scientific Corporation and Applera Corporation. Mr. Tobin received an M.B.A. from Harvard Business School and a B.A. from Harvard College. We believe that Mr. Tobin's qualifications to serve on our board include his decades of experience as President and Chief Executive Officer or Chief Operating Officer of three large biotechnology and medical device companies. In addition, his qualifications include his past experience as a director of Boston Scientific Corporation and one of our predecessor companies, as well as his experience in corporate strategy and organizational expertise.

Board Recommendation

OUR BOARD OF DIRECTORS BELIEVES THAT THE ELECTION OF JAMES R. MCNAB, JR., KENNETH J. PIENTA AND JAMES R. TOBIN TO SERVE AS CLASS I DIRECTORS IS IN THE BEST INTERESTS OF CURIS AND OUR STOCKHOLDERS AND, THEREFORE, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE NOMINEES.

CORPORATE GOVERNANCE

Our board of directors believes that good corporate governance is important to ensure that Curis is managed for the long-term benefit of stockholders. This section describes key corporate governance guidelines and practices that our board of directors has adopted. Complete copies of our corporate governance guidelines, committee charters and code of conduct are available on the Investors' Corporate Governance section of our website, www.curis.com. Alternatively, you can request a copy of any of these documents by writing to our secretary at the following address: Curis, Inc., 4 Maguire Road, Lexington, MA 02421.

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Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of Curis and our stockholders. These guidelines, which provide a framework for the conduct of the board of directors' business, provide that:

the board of directors' principal responsibility is to oversee the management of Curis;

a majority of the members of the board of directors shall be independent directors;

the independent directors shall meet regularly in executive session;

directors have full and free access to management and, as necessary and appropriate, independent advisors;

all directors are encouraged to participate in continuing director education on an ongoing basis; and

periodically, the board of directors and its committees will conduct a self-evaluation to determine whether they are functioning effectively.

Determination of Independence

Under applicable NASDAQ Stock Market Marketplace Rules, a director will only qualify as an independent director if, in the opinion of our board, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities as a director. SEC rules also impose, through the NASDAQ Stock Market Marketplace Rules, special independence requirements for members of the audit committee and heightened independence requirements for members of our compensation committee. When determining the independence of members of our compensation committee, our board is required to consider all factors specifically relevant to determining whether a director has a relationship with us that is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (1) the source of compensation of that director, including any consulting, advisory or other compensatory fee paid by us to that director; and (2) whether that director is affiliated with Curis, a subsidiary of Curis or an affiliate of a subsidiary of Curis.

During its annual review of director independence, the board considers all information it deems relevant, including without limitation, any transactions and relationships between each director or any member of his immediate family and Curis and its subsidiaries and affiliates.

Our board has determined that none of Mr. Greenacre, Dr. Kaitin, Dr. Martell, Mr. McNab, Dr. Rubin or Mr. Tobin has a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an independent director as defined under Rule 5605(a)(2) of the NASDAQ Stock Market Marketplace Rules.

Board Meetings and Attendance

Our corporate governance guidelines provide that directors are expected to attend the annual meeting of stockholders. All directors attended the 2014 annual meeting of stockholders. The board met ten times during the fiscal year ended December 31, 2014, either in person or by teleconference. During the fiscal year ended December 31, 2014, each of our directors attended at least 75% of the aggregate of the total number of board meetings and meetings of all committees of the board on which they then served.

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Board Leadership Structure

Our board has chosen to separate the role of our chief executive officer and the role of chairman of our board. We believe that this separation is appropriate since our chief executive officer is responsible for the strategic direction of our company, while the chairman of our board is responsible for overseeing the function of the board and for providing guidance to our chief executive officer as needed.

Board's Role in Risk Oversight

Our board of directors oversees our risk management processes directly and through its committees. Our management is responsible for risk management on a day-to-day basis. Our board of directors and its committees oversee the risk management activities of management. They fulfill this duty by discussing with management the policies and practices utilized by management in assessing and managing risks and providing input on those policies and practices. In general, our (i) board of directors oversees risk management activities relating to business strategy, acquisitions, capital allocation, organizational structure and certain operational risks, (ii) audit committee oversees risk management activities related to financial controls, (iii) compensation committee oversees risk management activities relating to our compensation policies, programs and practices and management succession planning, and (iv) nominating and corporate governance committee oversees risk management activities relating to board of directors composition and corporate governance policies and procedures. Each committee reports to our full board of directors on a regular basis, including reports with respect to the committee's risk oversight activities as appropriate.

Board Committees

Our board has established three standing committees—audit, compensation, and nominating and corporate governance—each of which operates under a charter that has been approved by our board. Our board of directors has also established a science and technology committee. Current copies of each standing committee's charter as well as the charter for our science and technology committee are posted on the Investors Corporate Governance section of our website, www.curis.com.

Our board has determined that all of the members of each of the board of directors' three standing committees are independent as defined under the NASDAQ Stock Market Marketplace Rules, including, (i) in the case of all members of the audit committee, the independence requirements contemplated by Rule 10A-3 under the Exchange Act and (ii) in the case of all members of the compensation committee, the enhanced independence requirements contemplated by Rule 10C-1 under the Exchange Act.

Audit Committee

The audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;

pre-approving all audit and non-audit services of our independent registered public accounting firm, except for de minimis non-audit services which are approved in accordance with applicable SEC rules, including meeting with our independent registered public accounting firm prior to the annual audit to discuss the planning and staffing of the audit;

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overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of certain reports from such firm;

reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures, earnings releases and other publicly disseminated financial information;

reviewing and discussing with our independent registered public accounting firm matters concerning the quality, not just the acceptability, of our accounting determinations, particularly with respect to judgmental areas;

monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;

discussing our risk management policies;

establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting-related complaints and concerns;

meeting independently with our independent registered public accounting firm and management on a quarterly basis;

reviewing and approving or ratifying any related person transactions;

establishing, and periodically reviewing, complaint procedures for (i) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and

preparing the audit committee report required by SEC rules, which is included on page 20 of this proxy statement.

The members of the audit committee are Mr. Greenacre (Chair), Mr. McNab and Dr. Rubin. The audit committee met seven times during the fiscal year ended December 31, 2014. The board of directors has determined that Mr. Greenacre is an audit committee financial expert as defined by applicable SEC rules.

Compensation Committee

The compensation committee's responsibilities include:

determining the chief executive officer's compensation;

reviewing and approving the compensation of our other executive officers;

overseeing an evaluation of our senior executives;

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overseeing and administering our cash and equity incentive plans;

reviewing and making recommendations to the board with respect to director compensation;

reviewing and discussing annually with management our Compensation Discussion and Analysis, which is included beginning on page 23 of this proxy statement;

preparing the compensation committee report required by SEC rules, which is included on page 49 of this proxy statement; and

reviewing and making recommendations to the board with respect to management succession planning.

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The processes and procedures followed by our compensation committee in considering and determining executive and director compensation are described below under the heading *Executive Officer and Director Compensation Processes*.

The members of the compensation committee are Dr. Kaitin, Dr. Martell and Mr. Tobin (Chair). The compensation committee met fourteen times during the fiscal year ended December 31, 2014.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee's responsibilities include:

identifying individuals qualified to become board members;

recommending to the board the persons to be nominated for election as directors and to each of the board's committees;

overseeing an annual evaluation of the board; and

periodically reviewing the composition of each board committee and the establishment or dissolution of additional board committees.

The processes and procedures followed by the nominating and corporate governance committee in identifying and evaluating director candidates are described below under the heading *Director Nomination Process*.

The members of the nominating and corporate governance committee are Dr. Kaitin (Chair), Mr. Greenacre and Dr. Rubin. The nominating and corporate governance committee met three times during the fiscal year ended December 31, 2014.

Science and Technology Committee

The science and technology committee's responsibilities include:

reviewing, evaluating, and advising the board and management regarding the long-term strategic goals and objectives and the quality and direction of the company's research and development programs;

monitoring and evaluating trends in research and development, and recommending to the board and management emerging technologies for building the company's technological strength;

recommending approaches to acquiring and maintaining technology positions;

advising the board and management on the scientific aspects of business development;

regularly reviewing the company's research and development pipeline;

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assisting the Board with its oversight responsibility for enterprise risk management in areas affecting the company's research and development; and

reviewing such other topics as delegated to the committee from time to time.

The members of the science and technology committee are Dr. Pienta (Chair), Dr. Rubin and Dr. Martell. The science and technology committee met six times during the fiscal year ended December 31, 2014.

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Executive Officer and Director Compensation Processes

The compensation committee oversees our compensation programs. In this capacity, the compensation committee determines and approves all compensation decisions related to our executive officers. In addition, the compensation committee periodically reviews and makes recommendations to the board with respect to director compensation. With respect to the grant of equity compensation awards and the grant of cash awards, if any, structured under our Amended and Restated 2010 Plan as performance-based compensation that is intended to be exempt from the deductibility limitations of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), the compensation committee may form, and delegate authority to, one or more subcommittees as it deems appropriate from time to time under the circumstances (including a subcommittee consisting of at least two members, each of whom qualifies as a non-employee director, as such term is defined from time to time in Rule 16b-3 promulgated under the Exchange Act, and an outside director, as such term is defined in Section 162(m) of the Code). The compensation committee did not form or delegate authority to any subcommittees during the fiscal year ending December 31, 2014.

The compensation committee has the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and has the sole authority to approve the consultant's fees and other retention terms. The compensation committee also has authority to commission compensation surveys or studies as the need arises. Periodically, the compensation committee retains an independent third party compensation consultant to review director and officer compensation. Since January 2010, the compensation committee has periodically retained Towers Watson as its independent third party compensation consultant. In October 2014, the compensation committee retained Towers Watson to review director and officer compensation, and also retained Towers Watson in November 2014 to provide advice related to our Amended and Restated 2010 Plan. The compensation committee has determined that there are no conflicts of interest or other applicable factors affecting independence with its retention of Towers Watson, as required by NASDAQ Stock Market Marketplace Rules.

Compensation committee meetings typically have included, for all or a portion of each meeting, our chief financial officer and, for meetings in which executive officer compensation decisions are made, the chairman of our board, our president and chief executive officer. The compensation committee typically seeks the chairman's input in compensation matters involving our president and chief executive officer. Our president and chief executive officer provides input on all other executive officer compensation matters including the appropriate mix of compensation for such other officers. Our president and chief executive officer may not be present during the compensation committee's voting or deliberations regarding his compensation.

Risks Arising from Compensation Policies and Practices

Employee compensation generally consists of salary, stock option awards and, depending on overall company performance and the successful achievement of objectives set forth in an annual short-term incentive program, cash bonus payments. We have reviewed our compensation policies and practices for all employees and have concluded that any risks arising from our policies and programs are not reasonably likely to have a material adverse effect on our company.

Director Nomination Process

The process followed by the nominating and corporate governance committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to

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time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the nominating and corporate governance committee and the board.

In considering whether to recommend any particular candidate for inclusion in the board's slate of recommended director nominees, the nominating and corporate governance committee will apply the criteria set forth in its charter. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, freedom from conflicts of interest and the ability to act in the interests of all stockholders. Our nominating and corporate governance charter provides that the value of diversity on our board should be considered by the nominating and corporate governance committee. The committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the board to fulfill its responsibilities. We do not discriminate against candidates based on their race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law.

We have adopted a policy under which stockholders may recommend individuals to the nominating and corporate governance committee for consideration as potential director candidates by submitting candidate names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the Nominating and Corporate Governance Committee, c/o Secretary, Curis, Inc., 4 Maguire Road, Lexington, MA 02421. Assuming that appropriate biographical and background material has been provided on a timely basis, the committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. If the board determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in our proxy card for the next annual meeting.

Stockholders also have the right under our bylaws to directly nominate director candidates, without any action or recommendation on the part of the committee or the board of directors, by following the procedures set forth under Stockholder Proposals for 2016 Annual Meeting.

Communicating with the Board of Directors

The board will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. The chairman of the board of directors is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the chairman of the board considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the board should address such communications to the Chairman of the Board of Directors, c/o Secretary, Curis, Inc., 4 Maguire Road, Lexington, MA 02421, or via email at info@curis.com.

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Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. We have posted a current copy of the code on the Investors Corporate Governance section of our website, *www.curis.com*. In addition, we intend to post on our website all disclosures that are required by law or NASDAQ stock market listing standards concerning any amendments to, or waivers of, any provision of the code.

Policies and Procedures for Related Person Transactions

Our board has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which Curis is a participant, the amount involved exceeds \$120,000, and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members), each of whom we refer to as a related person, has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a related person transaction, the related person must report the proposed related person transaction to our chief financial officer and/or general counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the board's audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the audit committee will review, and, in its discretion, may ratify the related person transaction at the next meeting of the committee. The policy also permits the chairman of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, subject to ratification by the audit committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed periodically. The audit committee will review and consider such information regarding the related person transaction as it deems appropriate under the circumstances.

The audit committee may approve or ratify the transaction only if the committee determines that, under all of the circumstances, the transaction is not inconsistent with Curis' best interests. The audit committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, the board has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

interests arising solely from the related person's position as an executive officer of another entity (whether or not the person is also a director of such entity), that is a participant in the transaction, where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, and (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction; and

a transaction that is specifically contemplated by provisions of our charter or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the compensation committee in the manner specified in its charter.

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Related Person Transactions

In June 2014, Daniel R. Passeri resigned from his position as our chief executive officer and our board elected Mr. Passeri vice chairman of our board. As a non-employee director, Mr. Passeri receives an annual cash retainer of \$100,000 per year plus meeting fees for his participation on our board.

In addition, in June 2014, we entered into a consulting agreement with Mr. Passeri pursuant to which Mr. Passeri has agreed to provide 120 hours per month of consulting services to us on intellectual property, corporate and strategic matters. In consideration for the services rendered by Mr. Passeri, we have agreed to pay Mr. Passeri \$32,500 per month until June 2015, provided that if at any time during the consultation period Mr. Passeri obtains full time employment with a third party, then Mr. Passeri and we will negotiate a good faith reduction in the number of hours that Mr. Passeri will consult, and thereafter Mr. Passeri will be paid an hourly fee, in lieu of the monthly retainer, for services rendered under the consulting agreement. In December 2014, Mr. Passeri obtained full time employment with a third party and since that date we have paid Mr. Passeri an hourly fee based on actual hours of services rendered.

From June 2014 until June 2015, the consulting agreement may be terminated at any time by mutual agreement between the parties. We may terminate the consulting agreement immediately if Mr. Passeri breaches, or threatens to breach the terms of the non-disclosure and non-competition agreement previously entered into with us. Mr. Passeri received \$197,833 during the year ended December 31, 2014 under the consulting agreement.

Audit Committee Report

The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the U.S. Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that we specifically request that it be treated as soliciting material or specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

The responsibilities of the audit committee are set forth in the charter of the audit committee. The audit committee has reviewed our audited financial statements for the fiscal year ended December 31, 2014, and has discussed these financial statements with our management and our independent registered public accounting firm.

Our management is responsible for the preparation of our financial statements and for maintaining an adequate system of disclosure controls and procedures and internal control over financial reporting for that purpose. Our independent registered public accounting firm is responsible for conducting an independent integrated audit of our annual financial statements and our internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board and issuing a report on the results of their integrated audit. The audit committee is responsible for providing independent, objective oversight of these processes.

The audit committee has also received from, and discussed with, our independent registered public accounting firm various communications that our independent registered public accounting firm is required to provide to the audit committee, including the matters required to be discussed by Public Company Accounting

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Oversight Board (PCAOB) Auditing Standard No. 16. PCAOB Auditing Standard No. 16 requires our independent registered public accounting firm to discuss with the audit committee, among other things, the following:

methods to account for significant unusual transactions;

the effect of significant accounting policies, including policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditors' conclusions regarding the reasonableness of those estimates;

disagreements with management over the application of accounting principles, the basis for management's accounting estimates and the disclosures in the financial statements; and

written disclosures required by PCAOB Rule 3526 – Communication with Audit Committees Concerning Independence.

The audit committee has received the written disclosures and the letter from our independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding our independent registered public accounting firm's communications with the audit committee concerning independence, and has discussed with the independent registered public accounting firm their independence from Curis. The audit committee has also received written disclosures required by PCAOB Rule 3526 – Communication with Audit Committees Concerning Independence.

Based on the review and discussions referred to above, the audit committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2014.

Submitted by the audit committee of our board of directors.

Martyn D. Greenacre (Chair)

Marc Rubin

James R. McNab, Jr.

Independent Registered Public Accounting Firm's Fees and Other Matters

Independent Registered Public Accounting Firm's Fees

The following table summarizes the fees of PricewaterhouseCoopers LLP, our independent registered public accounting firm, billed to us for each of the last two fiscal years:

Fee Category	2014	2013
Audit Fees (1)	\$ 581,500	\$ 509,000
All Other Fees (2)	1,800	1,800
Total Fees	\$ 583,300	\$ 510,800

- (1) Audit fees consist of fees for the audit of our financial statements, the audit of our internal control over financial reporting, the review of the interim financial statements included in our quarterly reports on Form

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- 10-Q, and other professional services provided in connection with statutory and regulatory filings or engagements. Audit fees also include fees of \$112,000 and \$104,000 for 2014 and 2013, respectively associated with comfort letters for our at-the-market sales agreements entered into in July 2013 and July 2011. 100% of the audit fees for 2014 and 2013 were pre-approved by the audit committee. These amounts exclude reimbursement of out-of-pocket expenses of \$4,500 and \$3,000 for 2014 and 2013, respectively.
- (2) Other fees consist of an annual license fee for use of accounting research software. None of the other fees incurred during 2014 and 2013 were for services provided under the de minimis exception to the audit committee pre-approval requirements. 100% of these fees for 2014 and 2013 were pre-approved by the audit committee.

Pre-Approval Policy and Procedures

Our audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy generally provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the audit committee specifically approves the service in advance or the engagement is entered into pursuant to one of the pre-approval procedures described below.

From time to time, our audit committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

The audit committee has also delegated to the chairman of the audit committee the authority to approve any audit or non-audit services to be provided to us by our independent registered public accounting firm. Any approval of services by a member of the audit committee pursuant to this delegated authority is reported on at the next meeting of the audit committee.

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EXECUTIVE AND DIRECTOR COMPENSATION AND RELATED MATTERS

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation strategy, policies, programs and practices for our named executive officers identified in the Summary Compensation Table. For fiscal year 2014, our named executive officers consist of Ali Fattaey, Ph.D., our president and chief executive officer, Michael P. Gray, our chief financial officer and chief business officer, Jaye Viner, M.D., our executive vice president and chief medical officer, and Daniel R. Passeri, our former chief executive officer, whom we refer to collectively in this Compensation Discussion and Analysis as our executive officers.

Mr. Passeri resigned as our chief executive officer in June 2014, although he continues to serve as the vice chairman of our board of directors. Information concerning compensation paid to Mr. Passeri is included herein, as applicable, in accordance with the requirements of the SEC's proxy disclosure rules.

Compensation decisions for our executive officers are made by the compensation committee of our board of directors.

At our May 2014 annual meeting, we held our most recent say-on-pay advisory stockholder vote on the compensation of our named executive officers. This advisory vote was supported by our stockholders at that meeting with 97.07% of the voted shares voting for this proposal. No specific component of our executive compensation program was altered based on the results of say-on-pay votes by our stockholders. Our compensation committee and our board of directors believe that our executive compensation has been appropriately tailored to our business strategies, aligns pay with performance, and reflects best practices regarding executive compensation. The committee will continue to consider stockholder sentiments about our core principles and objectives when determining executive compensation.

Executive Summary

The compensation paid to our named executive officers in 2014 reflected our primary compensation objectives of attracting and retaining key executive officers critical to our long-term success, recognizing and rewarding overall company performance and each executive officer's individual performance and level of responsibility, as well as continuing to align our executive officers' incentives with stockholders' interests.

2014 Corporate Results

We and our collaborators achieved a number of key corporate goals and objectives in 2014 including the following:

We actively sought pipeline-expansion opportunities in 2014. These efforts resulted in our entry in January 2015 into an exclusive, multi-year collaboration with Aurigene Discovery Technologies Limited, or Aurigene, that is focused on discovery, development and commercialization of drug candidates in the fields of immuno-oncology and precision oncology.

We completed the dose escalation portion of a Phase 1 clinical study of CUDC-907, our dual HDAC and PI3K inhibitor, and in the fourth quarter of 2014, we established the recommended Phase 2 dose and schedules of administration for further development of CUDC-907, and initiated enrollment of patients primarily with diffuse large B-cell lymphoma, or DLBCL, or multiple myeloma in the expansion stage of the Phase 1 study.

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In the fourth quarter of 2014, we initiated a separate Phase 1 trial to investigate CUDC-907 in patients with advanced solid tumors, including those with hormone receptor positive breast cancer or with NUT midline carcinoma.

Our collaborators Roche and Genentech, a wholly-owned member of the Roche Group, continued the global commercialization of Erivedge[®], a hedgehog pathway inhibitor, for the treatment of adults with severe forms basal cell carcinoma. Roche and Genentech recorded approximately \$136 million in net sales of Erivedge[®] in 2014, representing an increase of approximately \$56 million, or 70%, when compared to 2013 net sales of approximately \$80 million. In addition, we received a \$3 million milestone payment when Roche filed an Investigational New Drug, or IND, application with the U.S. Food and Drug Administration, or FDA, to commence a randomized Phase 2 clinical study of Erivedge[®] in patients with Idiopathic Pulmonary Fibrosis.

In the fourth quarter of 2014, we completed the dose escalation stage of a Curis-sponsored Phase 1 study in which consecutive cohorts of patients according to the standard 3+3 design were treated with CUDC-427 at dose levels of 100, 200 and 300 mg daily. We expect to enroll patients with lymphoma, including those with DLBCL and mucosa associated lymphoid tissue, or MALT, lymphoma in an expansion cohort later in 2015.

During the fourth quarter of 2014, Debiopharm determined that it would not advance Debio 0932 to the Phase 2 stage of the HALO, or HSP90 inhibition And Lung cancer Outcomes, study. In February 2015, we entered into a termination and transition agreement with Debiopharm pursuant to which Debiopharm has returned to us all future development and commercialization rights to Debio 0932, which we have redesignated as CUDC-305.

We continued to build our internal development team in 2014, which we believe will be a critical factor in our efforts to effectively develop our growing pipeline of oncology assets.

2014 Pay-for-Performance

In 2014, the compensation committee adhered to its long-standing pay-for-performance philosophy. As such, a significant portion of total 2014 executive compensation was comprised of cash incentives and long-term compensation tied to corporate performance. The average base salary of our executive officers comprised 38% of such executive officer's total compensation for 2014.

Key compensation decisions for 2014 were as follows:

In February 2014, the compensation committee increased base salary amounts for our executive officers as follows: (i) Dr. Fattaey, from \$425,000 to \$450,000; (ii) Mr. Gray, from \$360,000 to \$400,000; and (iii) Dr. Viner, from \$375,000 to \$410,000. Mr. Passeri's base salary prior to his transition remained unchanged at \$465,000. In June 2014, the compensation committee increased Dr. Fattaey's base salary from \$450,000 to \$475,000 in connection with his appointment as our president and chief executive officer.

In March 2014, the compensation committee approved the 2014 short-term incentive plan. This plan was designed to motivate our executive officers to achieve specified performance objectives for fiscal year 2014 and to reward them for their achievement assuming those objectives were met. In February 2015, the compensation committee determined that it would award cash incentive payments to executive officers at 102.5% of target levels included within the 2014 short-term incentive plan based

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upon the company's performance during 2014, resulting in cash incentive awards to Drs. Fattaey and Viner and Mr. Gray of \$190,335, \$146,991 and \$143,390, respectively.

In February 2014, the compensation committee granted stock options to our executive officers as part of such executive officers' annual review. The purpose of these stock option grants was to create an incentive for our executive officers to increase stockholder value over time through stock price growth, thereby aligning our executives' interests with those of our stockholders.

In June 2014, the compensation committee approved an employment agreement for Dr. Fattaey in connection with his appointment as our president and chief executive officer, providing for a base salary of \$475,000 per annum, an annual bonus based on the attainment of specified performance targets established by the compensation committee, and (i) a one-time grant of a performance-based stock option to purchase 400,000 shares of common stock with each such option having an exercise price of \$1.75 per share, and (ii) a time-based stock option to purchase 200,000 shares of common stock at an exercise price of \$1.75 per share, which was the closing price of the Company's common stock as reported by the Nasdaq Stock Market on the date of grant. Dr. Fattaey's performance-based stock option will vest as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case that Dr. Fattaey remains employed on the applicable vesting date and, provided further that, in no event will the option vest in whole or in part on or after June 2, 2017. Dr. Fattaey's time-based stock option will vest as to 25% of the shares underlying such award on the first anniversary of the date of grant, and as to an additional 6.25% of the shares underlying such award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to Dr. Fattaey's continued employment.

Our Compensation Program

The primary objectives of the compensation committee with respect to executive officer compensation are to:

attract and retain key executive officers critical to our long-term success;

recognize and reward overall company performance and each executive officer's individual performance and level of responsibility; and

align our executive officers' incentive compensation with stockholder interests.

To achieve these objectives, the compensation committee has historically set base salary and total cash compensation at approximately the 50th percentile and long-term incentive compensation at approximately the 75th percentile of peer group company benchmarking data. However, in 2014, the compensation committee determined to set base salary and total cash compensation for Mr. Gray at approximately the 75th percentile, primarily since peer group comparison data did not account for his dual role of chief financial and chief business officer. The compensation committee provided for long-term incentive compensation for executive officers at

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levels that are above the 50th percentile but below the 75th percentile. This shift in long-term incentive compensation was made primarily to preserve shares available for future grant under our Amended and Restated 2010 Plan.

Benchmarking Assessment for 2014 Compensation

In September 2012, our compensation committee retained Towers Watson to serve as an independent outside consultant reporting directly to the compensation committee with respect to executive officer and director compensation and stock ownership guidelines. Towers Watson was engaged to, among other things, conduct a benchmarking assessment of our executive officer compensation. The results of this benchmarking assessment were utilized by our compensation committee in setting 2014 compensation for our executive officers. The benchmarking was based upon:

comparative compensation data for 20 companies in our industry that were recommended by Towers Watson and adopted by the compensation committee as appropriate peer companies based upon each company's financial profile, market capitalization, state of development and oncology focus; and

a review of executive officer compensation data for companies in the 2012 Radford Global Life Sciences Compensation Survey with fewer than 50 employees.

The peer group companies were as follows:

- | | |
|--------------------------------|---------------------------------|
| Agenus Inc. | ImmunoGen, Inc. |
| Arqule, Inc. | Immunomedics Inc. |
| Astex Pharmaceuticals, Inc. | Infinity Pharmaceuticals, Inc. |
| AVEO Pharmaceuticals, Inc. | Keryx Biopharmaceuticals Inc. |
| BioCryst Pharmaceuticals, Inc. | Merrimack Pharmaceuticals, Inc. |
| Celldex Therapeutics, Inc. | Sunesis Pharmaceuticals, Inc. |
| Endocyte, Inc. | Synta Pharmaceuticals Corp. |
| Enzon Pharmaceuticals Inc. | Threshold Pharmaceuticals, Inc. |
| Geron Corporation | Verastem, Inc. |
| GTX Inc. | ZIOPHARM Oncology, Inc. |

The elements of compensation included in the benchmarking assessment consisted of base salary, short-term annual incentive compensation opportunities, total cash compensation, the fair value of long-term incentive awards and actual total direct compensation for each of our executive officers as compared to the peer group companies. Towers Watson conducted a competitive analysis of compensation at the 25th, 50th and 75th percentiles of the benchmarking data in 2012. The compensation committee considered Towers Watson's 2012 benchmarking data in determining 2014 base salaries and concluded that the 2014 base salaries were within the compensation committee's compensation philosophy targets. Our executive officer base salaries and total cash compensation approximated the 75th percentile when compared to data within the 2012 Radford Global Life Sciences Compensation Survey with fewer than 50 employees. Long-term incentive compensation approximated between the 50th and 75th percentile when benchmarked against the peer group companies and the Radford data. While the compensation committee considers both sources of data, it believes that the selected peer group data provides for the most accurate comparator since all companies in the peer group listing are publicly-held corporations with a median market capitalization at the time of analysis that approximated our market capitalization and each of these comparative companies is also focused at least in part on the development of oncology therapeutics.

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Benchmarking Assessment for 2015 Compensation

In January 2015, the compensation committee retained Towers Watson to perform a new benchmarking assessment that was utilized by our compensation committee in setting 2015 compensation for our executive officers. The benchmarking was based upon:

comparative compensation data for 16 companies in our industry that were recommended by Towers Watson and adopted by the compensation committee as appropriate peer companies based upon each company's financial profile, market capitalization, state of development and oncology focus; and

a review of executive officer compensation data for companies in the 2014 Radford Global Life Sciences Compensation Survey with fewer than 50 employees.

The peer group companies were as follows:

Agenus Inc.	MediciNova, Inc.
Arqule, Inc.	POZEN Inc.
BIND Therapeutics, Inc.	Rigel Pharmaceuticals, Inc.
Endocyte, Inc.	Sunesis Pharmaceuticals, Inc.
Five Prime Therapeutics, Inc.	Synta Pharmaceuticals Corp.
Geron Corporation	Threshold Pharmaceuticals, Inc.
GTX Inc.	Verastem, Inc.
Immunomedics Inc.	ZIOPHARM Oncology, Inc.

The elements of compensation included in the benchmarking assessment consisted of base salary, short-term annual incentive compensation opportunities, total cash compensation, the fair value of long-term incentive awards and actual total direct compensation for each of our executive officers as compared to the peer group companies. Towers Watson conducted a competitive analysis of compensation at the 25th, 50th, and 75th percentiles of the benchmarking data. The benchmarking assessment showed that our executive officers' 2014 base salary and 2014 total cash compensation levels approximated the 50th percentile for our president and chief executive officer and between the 50th and the 75th percentile for our chief financial and chief business officer and our chief medical officer when compared to the peer group companies. Our executive officer base salaries and total cash compensation approximated the 75th percentile when compared to data within the 2014 Radford Global Life Sciences Compensation Survey with fewer than 50 employees. Long-term incentive compensation approximated between the 50th and 75th percentile when benchmarked against both the peer group companies and the Radford data.

In determining executive officer compensation, the compensation committee also considers the overall performance and financial condition of the company and each individual executive officer's performance in contributing to company performance. The compensation committee also considers the total number of shares available for future grant under our Amended and Restated 2010 Plan when determining the size of stock awards to our executive officers.

Our corporate goals and objectives are established through a process that involves input by our board and executive officers, including our chief executive officer. Management reports on progress towards the achievement of these goals during our periodic board of directors meetings. The compensation committee believes that aligning executive compensation with the successful achievement of these goals has the potential to create long-term value for our stockholders.

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Our president and chief executive officer evaluates the performance of each of the other executive officers at least once annually against established company goals and objectives for such executive officer and also takes into consideration each executive officer's contribution to the achievement of company goals and objectives. These annual assessments are provided either orally or through a written periodic review. The president and chief executive officer provides recommendations to the compensation committee for all elements of compensation of our other executive officers based upon these evaluations, and the compensation committee considers our chief executive officer's assessments when determining compensation for our executive officers other than our president and chief executive officer. The compensation committee evaluates the performance of the president and chief executive officer based upon its assessment of the president and chief executive officer's performance, and this assessment is updated at periodic meetings as well as through recommendations from the chairman of our board of directors. Our president and chief executive officer does not participate in the determination of his own compensation.

Towers Watson was retained by the compensation committee in October 2014 to provide advice to the committee regarding executive officer and director stock ownership guidelines and in November 2014 to provide advice related to our proposal to seek shareholder approval to increase the number of shares of common stock available under our Amended and Restated 2010 Plan.

For a further discussion of the processes and procedures used by our compensation committee in considering and determining executive and director compensation, see [Executive Officer and Director Compensation Processes](#) beginning on page 17 of this proxy statement.

Elements of Compensation and Analysis of Compensation Payments

The elements of executive officer compensation generally consist of the following:

base salary;

short-term cash incentives;

stock option and restricted stock awards;

insurance, retirement and other employee benefits; and

change in control and severance benefits.

We do not have any formal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation or among the different forms of non-cash compensation. The compensation committee, after considering information including company performance, individual executive officer performance, the financial condition of the company, benchmarking data and other market compensation for executive officers at other similarly-sized biotechnology companies, determines what it believes to be the appropriate level and mix of the various compensation components.

Base Salary

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our executive officers. Base salaries for our executive officers are established based on the scope of their responsibilities, periodically taking into account competitive market compensation paid by other companies for similar positions as well as the financial condition of the company. Base salaries are reviewed

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annually, and adjusted from time to time to reflect promotions and to realign salaries with market levels after taking into account individual responsibilities, performance and experience as well as the financial health of the company. The compensation committee generally believes that executive officer base salaries should approximate the 50th percentile of the range of salaries for executive officers in similar positions with similar responsibilities at comparable companies.

2014 Base Salaries

In February 2014, the compensation committee increased base salaries for our executive officers for fiscal year 2014 as follows:

Name	2014 Base Salary	2013 Base Salary	Percentage Increase
Ali Fattaey, Ph.D.	\$ 450,000	\$ 425,000	5.9%
Michael P. Gray	\$ 400,000	\$ 360,000	11.1%
Jaye Viner, M.D.	\$ 410,000	\$ 375,000	9.3%
Daniel R. Passeri (1)	\$ 465,000	\$ 465,000	

(1) The base salary for Mr. Passeri, who ceased serving as an employee in June 2014, is annualized for 2014. The compensation committee decided to maintain Mr. Passeri's salary at \$465,000 in part due to Mr. Passeri's recommendation that the compensation committee increase base salaries for other executive officers due to each such executive officers' increasing level of responsibility within the company, including Dr. Fattaey's assumption of the office of President, a role held by Mr. Passeri prior to Dr. Fattaey joining Curis in February 2013. The compensation committee provided base salary increases to Dr. Fattaey, Dr. Viner and Mr. Gray, largely as a result of the compensation committee's determination that the level of responsibilities for these executive officers over the course of 2013 had increased, and is expected to continue to increase in the future. For example, Dr. Fattaey became Curis' primary representative at investor conferences. Mr. Gray transitioned into the dual role of chief financial officer and chief business officer, and Dr. Viner oversaw the build-out of our clinical team to oversee the development of our proprietary programs. The compensation committee considered Towers Watson's September 2012 benchmarking data in determining the 2014 base salaries and concluded that the 2014 base salaries were within the compensation committee's compensation targets. Dr. Fattaey's base salary was increased from \$450,000 to \$475,000 when he assumed the role of president and chief executive officer in June 2014, after Mr. Passeri's resignation as chief executive officer.

2015 Base Salaries

In February 2015, the compensation committee increased base salaries for our executive officers for fiscal year 2015 as follows:

Name (1)	2015 Base Salary	2014 Base Salary	Percentage Increase
Ali Fattaey, Ph.D.	\$ 515,000	\$ 475,000	8.4%
Michael P. Gray	\$ 412,000	\$ 400,000	3%
Jaye Viner, M.D.	\$ 422,300	\$ 410,000	3%

(1) Information is not furnished for Mr. Passeri, who ceased serving as an employee in June 2014.

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The compensation committee decided to increase the base salaries of our executive officers other than Dr. Fattaey by 3% of such executive officer's 2014 base salary to account for a cost-of-living adjustment. In addition, the compensation committee increased Dr. Fattaey's base salary to bring Dr. Fattaey's base salary in line with our peer group median base salary. The compensation committee considered Towers Watson's January 2015 benchmarking data in determining the 2015 base salaries and concluded that the 2015 base salaries were within the compensation committee's compensation philosophy targets.

Short-Term Cash Incentive Plans

Our compensation committee believes that allocating a meaningful amount of our executive officers' total cash compensation to the achievement of objectives under short-term incentive plans aligns our executive officers' interests with those of our stockholders. Accordingly, for both 2014 and 2015 our compensation committee implemented short-term incentive plans, referred to herein as cash incentive programs, that set forth specific objectives that, if achieved, can result in short-term incentive cash compensation for our executive officers.

The cash incentive program is designed to motivate our executive officers to achieve specified performance objectives for the respective fiscal year and to reward them for their achievement assuming those objectives are met. To be eligible, an executive officer must (i) be designated by the compensation committee or independent board members, (ii) be serving as an executive officer at the time the award is paid and (iii) have achieved an overall performance evaluation at a meets expectations or higher level within our evaluation framework.

The compensation committee generally establishes categories of goals that are then further delineated into three levels of potential achievement: Threshold, Target, and Maximum. Cash incentive payments may be paid based upon the degree to which each category of corporate goals has been achieved on this continuum, if at all. For each of the four categories, achievement of performance at the Threshold level results in a weighted payment of no less than 50% of the target amount, achievement of performance at the Target level results in a weighted payment equal to 100% of the target amount, and achievement of performance at the Maximum level results in a weighted payment of no more than 150% of the target amount.

The cash incentive program is administered by the compensation committee. The compensation committee has the authority and discretion to modify performance goals under the cash incentive program and has the right to amend, modify or terminate the cash incentive program at any time.

2014 Short-Term Cash Incentive Plan

In March 2014, the compensation committee of the board of directors approved a 2014 short-term cash incentive program for executive officers, which was designed to motivate our executive officers to achieve specified performance objectives for fiscal 2014 and to reward them for their achievement assuming those objectives were met.

Eligibility. As of the date of the adoption of the plan, the following named executive officers were eligible to participate in the 2014 cash incentive program: Daniel R. Passeri, Ali Fattaey, Ph.D., Michael P. Gray and Jaye Viner, M.D.

Distribution. The awards generally are paid in cash. The compensation committee had sole discretion, however, to pay an award using a combination of cash and equity or all equity. If the compensation committee

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determined that such payment was to be made in whole or in part in the form of equity, the compensation committee had the sole discretion to determine the nature, amount and other terms of such equity award. Payment of the awards, if any, was to be made after the completion of fiscal year 2014 and no later than March 15, 2015.

Effect of Change in Control. In the event a change in control of the Company was consummated on or before December 31, 2014, short-term incentive amounts would have been paid out at 100% of target upon such change in control.

The compensation committee established the following target short-term incentive payment amounts, referred to herein as target amounts, for each executive officer:

Designated Executive Officer	2014 Annual Base Salary	Target Incentive Compensation Payment as a Percentage of 2014 Annual Base Salary, Assuming Performance at the 100% Level	
		(%)	(\$)
Ali Fattaey, Ph.D.	\$ 450,000(1)	40%	\$ 180,000
Michael P. Gray	\$ 400,000	35%	\$ 140,000
Jaye Viner, M.D.	\$ 410,000	35%	\$ 143,500
Daniel R. Passeri	\$ 465,000	45%	\$ 209,250
Total	\$ 1,725,000		\$ 672,750

- (1) Dr. Fattaey's base salary was increased from \$450,000 to \$475,000 when he assumed the role of president and chief executive officer in June 2014, after Mr. Passeri's resignation as chief executive officer.

The compensation committee established three weighted categories of corporate goals for 2014. The three categories of corporate goals for 2014 generally relate to the following:

the successful implementation of our clinical development plan, including initiation of new studies and progression of ongoing clinical trials of CUDC-907 and CUDC-427;

the achievement of specified strategic corporate development initiatives; and

financial performance objectives, including cash management and capital objectives.

On February 9, 2015, the compensation committee approved the payment of short term cash incentive awards at 102.5% of the target amounts to each of the executive officers as follows:

Name (1)	Total 2014 Cash Incentive Amount Paid	Percentage of 2014 Base Salary
Ali Fattaey, Ph.D. (2)	\$ 190,335	41%
Michael P. Gray	\$ 143,390	36%
Jaye Viner, M.D.	\$ 146,991	36%

- (1)

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Mr. Passeri's employment with the company terminated as of June 2, 2014 and as a result, he did not receive any payment under the 2014 short term incentive plan.

- (2) Dr. Fattaey's base salary was increased from \$450,000 to \$475,000 when he assumed the role of president and chief executive officer in June 2014, after Mr. Passeri's resignation as chief executive officer. Dr. Fattaey's 2014 annual salary totaled approximately \$464,000 as a result of this increase.

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In determining the payment of short-term cash incentive awards at 102.5% of the target amounts to each of the executive officers, the compensation committee assessed each of the three weighted categories of corporate goals for 2014 and determined the percentage of target incentive compensation earned for each of these categories based on our actual accomplishments for 2014.

2015 Short-Term Cash Incentive Plan

In April 2015, the compensation committee approved a 2015 short-term cash incentive program for executive officers and determined that the following executive officers were eligible to participate: Ali Fattaey, Ph.D., Michael P. Gray and Jaye Viner, M.D.

The compensation committee established the following target short-term incentive payment amounts, referred to herein as target amounts, for each executive officer:

Designated Executive Officer	2015 Annual Base Salary	Target Incentive Compensation Payment as a Percentage of 2015 Annual Base Salary, Assuming Performance at the 100% Level	
		(%)	(\$)
Ali Fattaey, Ph.D.	\$ 515,000	45%	\$ 231,750
Michael P. Gray	\$ 412,000	35%	\$ 144,200
Jaye Viner, M.D.	\$ 422,300	35%	\$ 147,805
Total	\$ 1,349,300		\$ 523,755

The compensation committee established weighted categories of corporate goals for 2015. The categories of corporate goals for 2015 generally relate to the following:

the successful implementation of our clinical development plans, with a focus on initiation of new studies and progression of ongoing clinical trials of CUDC-907 and advancing programs under our collaboration with Aurigene;

the achievement of specified strategic corporate development initiatives; and

financial performance objectives, including cash management and capital objectives.

The distribution of awards under the 2015 short-term cash incentive program, if any, including in the event of the consummation of a change in control of the company on or before December 31, 2015, will be determined in the same manner as that under the 2014 short-term cash incentive program, as more fully described above.

Long-Term Incentive Program

The compensation committee believes that long-term value creation is achieved through an ownership culture that encourages performance by our executive officers through stock and stock-based awards. We have established our stock compensation plans to provide our employees, including our executive officers, with incentives to help align employee interests with the interests of our stockholders. Our executive officers have been granted options that include both time-based and performance-based vesting terms. All value received by the recipient from a stock option is based on the growth of the stock price above the option exercise price. The compensation committee generally does not make grants of restricted stock awards to our executive officers and no restricted stock awards were granted in 2014.

Table of Contents*Stock Options*

Our Amended and Restated 2010 Plan permits the grant of various types of equity awards, including incentive and non-qualified stock options to our employees, directors and consultants. In the first quarter of 2010, our 2000 stock incentive plan expired in accordance with its terms and our 2000 director stock option plan had no available shares remaining. No additional awards will be made under these plans, although all outstanding awards under these plans will remain in effect until they are exercised or they expire in accordance with their terms.

The compensation committee reviews and approves stock option grants to our chief executive officer and the other executive officers. Stock option grants are made at the commencement of employment and then are generally granted annually in conjunction with the review of the individual performance of our executive officers. Grants may also be made following a significant change in job responsibilities or to meet other special retention or performance objectives. The review and approval of stock option awards to executive officers is based upon an assessment of individual performance, a review of each executive officer's existing long-term incentives and retention considerations. In appropriate circumstances, the compensation committee considers the recommendations of Dr. Fattaey, our chief executive officer (except with respect to his own compensation) and Mr. McNab, the chairman of our board of directors. Stock options are typically granted with an exercise price equal to the fair market value of our common stock on the date of grant and typically vest and become exercisable as to 25% of the shares underlying the award after the first year and as to an additional 6.25% of the shares underlying the award in each subsequent quarter, based upon continued employment over a four-year period. In 2014, the compensation committee granted stock options that vest only on the achievement of specific performance targets related to our stock price. The options generally expire ten years after the date of grant. In certain circumstances, stock options have and may be granted with different vesting terms, such as a shorter vesting period or performance-based vesting.

2014 Stock Option Grants

In February 2014, the compensation committee granted the following stock options pursuant to our Amended and Restated 2010 Plan to our executive officers:

Name	Number of Shares Underlying
	February 2014 Option Grants (1)
Ali Fattaey, Ph.D.	300,000(2)
Michael P. Gray	180,000(3)
Jaye Viner, M.D.	180,000(3)
Daniel R. Passeri (4)	300,000(2)

- (1) Each of the stock options has an exercise price equal to \$3.09, the fair market value of our common stock on the date of grant.
- (2) Includes (i) an option to purchase 100,000 shares of common stock that vests and becomes exercisable as to 25% of the shares underlying the award on the first anniversary of the date of grant and as to an additional 6.25% of the shares underlying the award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to continued service and (ii) an option to purchase 200,000 shares of common stock that vests and become exercisable, if at all, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-

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- traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case, that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will the option vest in whole or in part on or after February 18, 2017.
- (3) Includes (i) an option to purchase 60,000 shares of common stock that vests and becomes exercisable as to 25% of the shares underlying the award on the first anniversary of the date of grant and as to an additional 6.25% of the shares underlying the award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to continued service and (ii) an option to purchase 120,000 shares of common stock that vests and becomes exercisable, if at all, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case, that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will the option vest in whole or in part on or after February 18, 2017.
- (4) Mr. Passeri served as our chief executive officer until June 2014. Mr. Passeri continues to provide certain consulting services to us and continues to serve as vice chairman of our board of directors.

In connection with Dr. Fattaey's election as our chief executive officer in June 2014, the compensation committee also granted Dr. Fattaey (i) a one-time performance-based stock option to purchase 400,000 shares of common stock, and (ii) a time-based stock option to purchase 200,000 shares of common stock with each such option having an exercise price of \$1.75 per share, which was the closing price of our common stock as reported by the Nasdaq Stock Market on the date of grant. Dr. Fattaey's performance-based stock option will vest as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case that Dr. Fattaey remains employed on the applicable vesting date, and provided further that, in no event will this option vest in whole or in part on or after June 2, 2017. Dr. Fattaey's time-based stock option will vest as to 25% of the shares underlying such award on the first anniversary of the date of grant, and as to an additional 6.25% of the shares underlying such award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to Dr. Fattaey's continued employment.

The value of stock option grants to all of our executives in 2014 approximated the 50th percentile of value for the peer group established by Towers Watson in the September 2012 analysis. In making the option grants to our executive officers in 2014, the compensation committee considered that two-thirds of the shares under option awards to Messrs. Passeri and Gray and Drs. Fattaey and Viner would contain performance conditions so that the underlying shares would only vest and become exercisable to the extent that any or all of the performance conditions are met. The compensation committee also considered the September 2012 Towers Watson data, data

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from the related Radford Global Life Sciences Compensation Survey for long-term incentive compensation, as well the compensation committee's desire to preserve an adequate number of common shares for future stock options and other stock awards that may be granted under the Amended and Restated 2010 Plan.

2015 Stock Option Grants

In January 2015, the compensation committee granted the following stock options pursuant to our Amended and Restated 2010 Plan to our executive officers:

Name	Number of Shares Underlying
	January 2015 Option Grants (1)
Ali Fattaey, Ph.D.	100,000
Michael P. Gray	100,000
Jaye Viner, M.D.	100,000

- (1) Such stock options have an exercise price equal to \$1.94, the fair market value of our common stock on the date of grant and shall become exercisable as to 25% of the shares underlying the award after the first year and as to an additional 6.25% of the shares underlying the award in each subsequent quarter, based upon continued employment over a four-year period.

Name	Number of Shares Underlying
	February 2015 Option Grants (1)
Ali Fattaey, Ph.D.	900,000
Michael P. Gray	80,000
Jaye Viner, M.D.	80,000

- (1) Such stock options have an exercise price equal to \$2.39, the fair market value of our common stock on the date of grant and will vest and become exercisable as to 25% of the shares underlying the award after the first year and as to an additional 6.25% of the shares underlying the award in each subsequent quarter, based upon continued employment over a four-year period; provided that such awards will terminate and be forfeited if the stockholders do not approve an amendment to our Amended and Restated 2010 Stock Incentive Plan to increase the number of shares authorized for issuance thereunder within 12 months of the grant date; and further provided that such options shall not be exercisable and no common stock shall be issued thereunder, before the approval of such stock incentive plan amendment by our stockholders. See Proposal 2 Approval of an Amendment to the Amended and Restated 2010 Plan for further information about these awards.

Restricted Stock Awards

Our Amended and Restated 2010 Plan permits the issuance of restricted stock awards to our employees, directors and consultants. The compensation committee generally does not make grants of restricted stock awards to our executive officers and no restricted stock awards were granted in 2014. The compensation committee generally favors the award of stock options over restricted stock in its annual compensation of our executive officers since it grants stock options with exercise prices that are equal to the fair market value of our common stock on the grant date, and therefore closely aligns our executive officers' interests with those of our stockholders as such stock options only generate value to our executive officers if the fair market value of our common stock rises.

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2010 Employee Stock Purchase Plan

Executive officers are eligible to participate in our 2010 employee stock purchase plan. The plan permits participant employees to purchase company stock through payroll deductions of up to 15% of total cash compensation. The price of the stock is 85% of the lower of the fair market value of the stock at the beginning or the end of the offering period. In 2014, none of our executive officers participated in the 2010 employee stock purchase plan.

Other Compensation Employee Benefits

Our employees, including our executive officers, are entitled to various employee benefits such as medical and dental expense coverage, flexible spending accounts, various insurance programs, an employee assistance program and paid time off. Executive officers are eligible to participate in our 401(k) retirement plan. Matching contributions to the 401(k) plan are at the discretion of the compensation committee of the board of directors.

Change in Control and Severance Payments

Each of our executive officers is party to an agreement or offer letter that obligates us to make payments to such executive officer in the event we terminate the executive officer's employment without cause or the executive officer resigns for good reason (as defined in the applicable agreement or offer letter). We believe that our severance program is aligned with other comparable biotechnology companies and provides our executive officers with income protection in the event of an unplanned separation from employment. In addition, we are also obligated to make payments to each of our executive officers if he or she is terminated under specified circumstances within twelve months after a change in control. This is a so-called "double trigger" change in control arrangement because it provides for severance benefits only in the event of a change in control, the first trigger, followed by an employment termination under specified circumstances, the second trigger. Our 2000 stock incentive plan and our Amended and Restated 2010 Plan provide that, unless otherwise provided in the applicable award agreement, all plan participants, including our executive officers, are entitled to accelerated vesting of stock options and/or restricted stock awards upon certain events. In the event that a change in control occurs, 50% of the then unvested options of each plan participant, including executive officers, would become immediately exercisable and the restrictions underlying 50% of any restricted stock awards would lapse. In the event any executive officer is terminated within one year after a change in control without cause or resigns for good reason (each as defined in the applicable plan), then all remaining unvested stock options and restricted stock awards will become fully vested. Our 2000 and our Amended and Restated 2010 Plans generally define a change in control as a merger by us with or into another company or a sale of all or substantially all of our assets. We have determined to provide for these change in control arrangements because we recognize that, as is the case with many publicly-held corporations, the possibility of a change in control of our company exists and such possibility, and the uncertainty and questions which it may raise among our executive officers, could result in the departure or distraction of executive officers to the detriment of our company and our stockholders. As a consequence, our compensation committee determined to provide such change in control related benefits to reinforce and encourage the continued employment and dedication of our executive officers without distraction from the possibility of a change in control and related events and circumstances. Notwithstanding the foregoing, our compensation committee determined that the options granted in 2014 with vesting tied to our stock price would not be entitled to the acceleration rights set forth above.

Our change in control and severance arrangements with our executive officers do not obligate us to make any additional payments to "gross-up" any such compensation payable to such executive officers in order to offset income tax liabilities.

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For a further description of the foregoing arrangements, see Summary Compensation Table, Employment Agreements and Potential Payments Upon Termination or Change in Control.

Stock Ownership Guidelines

Our compensation committee has considered whether or not to implement stock ownership guidelines for our executive officers and directors. The compensation committee engaged Towers Watson in October 2014 to review the then-current stock ownership of our executive officers and directors as well as to review stock ownership practices of our peer group companies. Towers Watson analyzed the recent proxy filings of sixteen peer group companies (for more information on these peer group companies, see Our Compensation Program) to determine both the prevalence and design of executive stock ownership requirements. Of these sixteen organizations, only two had adopted stock ownership guidelines. Towers Watson noted that all of our executive officers generally would have fulfilled competitive market levels of ownership when both common shares owned outright and vested in-the-money stock options were counted towards the guidelines. Given that current executive ownership levels already meet or exceed market standards, the compensation committee determined that it would not presently recommend the implementation of stock ownership guidelines.

Tax and Accounting Considerations

We account for equity compensation paid to our employees under the rules of FASB Codification Topic 718 (formerly FAS 123(R)), which require us to estimate and record an expense over the service period of the award. Accounting rules also require us to record cash compensation as an expense at the time the obligation is accrued. To date, these accounting requirements have not impacted our executive compensation programs and practices.

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), generally disallows a tax deduction for compensation in excess of \$1.0 million paid to our chief executive officer and to each other officer (other than our chief executive officer and our chief financial officer) whose compensation is required to be reported to our stockholders pursuant to the Exchange Act by reason of being among the three most highly paid executive officers. Certain compensation, including qualified performance-based compensation, will not be subject to the deduction limit if certain requirements are met. The compensation committee reviews the potential effect of Section 162(m) periodically and uses its judgment to authorize compensation payments that may be subject to the deduction limit when the compensation committee believes that such payments are appropriate and in the best interests of us and our stockholders, after taking into consideration changing business conditions and the performance of our employees.

Table of Contents**Summary Compensation Table**

The following table sets forth information regarding compensation earned by each of our named executive officers for the fiscal years ending December 31, 2014, 2013, and 2012.

Name and Principal Position	Year	Salary (\$)	Non-Equity	Option	All Other	Total (\$)
			Incentive Plan Compensation (\$)(1)			
Ali Fattaey, Ph.D.	2014	464,231	190,335	819,395	81,794(3)(5)	\$ 1,555,755
President and Chief Executive Officer (4)	2013	366,154	91,695	801,440	72,234(3)(6)	1,331,523
Michael P. Gray	2014	399,692	143,390	269,397	10,400(3)	\$ 822,879
Chief Financial Officer and Chief Business Officer	2013	359,961	78,750	279,388	10,200(3)	728,299
	2012	350,000	91,875	746,675	10,000(3)	1,198,550
Jaye Viner, M.D.	2014	409,731	146,991	269,397	10,400(3)	\$ 836,519
Executive Vice President, Chief Medical Officer (7)	2013	142,788	111,464(8)	1,035,375	5,712(3)	1,295,339
Daniel R. Passeri	2014	226,344		448,995		\$ 675,339
Former Chief Executive Officer (9)	2013	464,942	130,781	447,020	10,200(3)	1,052,943
	2012	450,000	151,875	1,194,680	10,000(3)	1,806,555

- (1) The amounts in this column reflect amounts paid to each of our named executive officers under the short-term cash incentive plans described in Compensation Discussion and Analysis above.
- (2) The amounts in this column reflect the aggregate grant date fair value of equity awards granted during the respective fiscal year, computed in accordance with FASB Codification Topic 718 and other relevant guidance, for awards pursuant to our Amended and Restated 2010 Plan. Assumptions used in the calculation of these amounts are included in footnote 4 to our audited financial statements for the fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the SEC on February 24, 2015.
- (3) Consists of 401(k) matching contributions made by us.
- (4) Dr. Fattaey has served as our president and chief executive officer since June 2, 2014 and served as president and chief operating officer from February 18, 2013 to June 1, 2014.
- (5) Of this amount, \$71,394 represents reimbursed commuting expenses for Dr. Fattaey in 2014.
- (6) Of this amount, \$62,699 represents reimbursed relocation and commuting expenses for Dr. Fattaey in 2013.
- (7) Dr. Viner has served as our executive vice president and chief medical officer since August 13, 2013.
- (8) Of this amount, \$80,000 represents a signing bonus that was paid to Dr. Viner after her 90th day of employment.
- (9) Mr. Passeri served as our chief executive officer until June 2, 2014 and currently serves as vice chairman of the board of directors. His compensation relating to his position as a member of the board is described in the Director Compensation Table below.

Table of Contents**Grants of Plan-Based Awards**

The following table sets forth information regarding awards under our Amended and Restated 2010 Plan to our named executive officers during the fiscal year ended December 31, 2014.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh) (1)	Grant Date Fair Value of Stock and Option Awards (2)
Ali Fattaey, Ph.D.	02/18/2014	300,000(3)	\$ 3.09	\$ 443,770
	06/02/2014	600,000(4)	1.75	375,625
Michael P. Gray	02/18/2014	180,000(5)	3.09	269,397
Jaye Viner, M.D.	02/18/2014	180,000(5)	3.09	269,397
Daniel R. Passeri (6)	02/18/2014	300,000(3)	3.09	448,995

- (1) The exercise price per share is equal to the closing price per share of our common stock on the Nasdaq Global Market on the date of grant.
- (2) The amounts shown in this column represent the total grant date fair value of each stock and option award as determined in accordance with FASB Codification Topic 718.
- (3) Includes (i) a time-based stock option to purchase 100,000 shares of common stock that vests and becomes exercisable as to 25% of the shares underlying the award on the first anniversary of the date of grant and as to an additional 6.25% of the shares underlying the award at the end of each three-month anniversary thereof until all of such shares underlying such award shall become exercisable, subject to continued service and (ii) a performance-based stock option to purchase 200,000 shares of common stock that vests and becomes exercisable, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case, that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will this option vest in whole or in part on or after February 18, 2017. The time-based stock options will expire 10 years from date of grant and in the event of a change in control, 50% of the then unvested options held by each executive officer, would become immediately exercisable. Under the terms of the Amended and Restated 2010 Plan, a change in control generally occurs in the event we merge with or into another company or we sell all or substantially all of our assets. In addition, under the terms of the Amended and Restated 2010 Plan, in the event an executive officer terminates his or her employment for good reason (as defined in the plan) or we terminate the executive officer without cause (as defined in the plan) within one year after a change in control, then all options held by the executive officer would become fully vested upon such termination.
- (4) In connection with Dr. Fattaey's election as our chief executive officer, the compensation committee granted Dr. Fattaey the following awards: (i) a time-based stock option to purchase 200,000 shares of common stock that vests and becomes exercisable as to 25% of the shares underlying the award on the first anniversary of the date of grant and as to an additional 6.25% of the shares underlying the award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to continued service and (ii) a performance-based stock option to purchase 400,000

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- shares of common stock that vests and becomes exercisable, if at all, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will this option vest in whole or in part on or after June 2, 2017. The time-based stock options will expire 10 years from date of grant and in the event of a change in control, 50% of the then unvested options held by Dr. Fattaey would become immediately exercisable. Under the terms of the Amended and Restated 2010 Plan, a change in control generally occurs in the event we merge with or into another company or we sell all or substantially all of our assets. In addition, under the terms of the Amended and Restated 2010 Plan, in the event an executive officer terminates his or her employment for good reason (as defined in the plan) or we terminate the executive officer without cause (as defined in the plan) within one year after a change in control, then all options held by the executive officer would become fully vested upon such termination.
- (5) Includes (i) a time-based stock option to purchase 60,000 shares of common stock that vests and becomes exercisable as to 25% of the shares underlying the award on the first anniversary of the date of grant and as to an additional 6.25% of the shares underlying the award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to continued service and (ii) a performance-based stock an option to purchase 120,000 shares of common stock that vests and becomes exercisable, if at all, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will this option vest in whole or in part on or after February 18, 2017. The time-based stock options will expire 10 years from date of grant and in the event of a change in control, 50% of the then unvested options held by each plan participant, including executive officers, would become immediately exercisable. Under the terms of the Amended and Restated 2010 Plan, a change in control generally occurs in the event we merge with or into another company or we sell all or substantially all of our assets. In addition, under the terms of the Amended and Restated 2010 Plan, in the event an executive officer terminates his or her employment for good reason (as defined in the plan) or we terminate the executive officer without cause (as defined in the plan) within one year after a change in control, then all options held by the executive officer would become fully vested upon such termination.
- (6) Mr. Passeri served as our chief executive officer until June 2, 2014.

Table of Contents**Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

We have entered into employment agreements with our named executive officers, as described below under Employment Agreements and Indemnification of Executive Officers.

Salary and payments pursuant to our short-term incentive plans accounted for approximately 50.4% of the total compensation of the named executive officers for 2014, 39.6% of the total compensation of the named executive officers for 2013, and 34.7% of the total compensation of the named executive officers for 2012.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding equity awards held by our named executive officers as of December 31, 2014.

Name	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date
	(#) Exercisable	(#) (1) Unexercisable	(#) (2) Options	(\$)	
Ali Fattaey, Ph.D.		200,000	400,000	\$ 1.75	6/2/2024
		100,000	200,000	\$ 3.09	2/18/2024
	175,000	225,000		\$ 3.02	2/19/2023
Michael P. Gray		60,000	120,000	\$ 3.09	2/18/2024
	54,687	70,313		\$ 3.32	1/17/2023
	171,875	78,125		\$ 4.52	1/05/2022
	117,186	7,814		\$ 2.15	1/07/2021
	124,999			\$ 2.27	2/02/2020
	180,000			\$ 1.07	2/05/2019
	180,000			\$ 1.43	1/25/2018
	300,000			\$ 1.39	6/06/2017
	200,000			\$ 1.57	5/31/2016
	75,000			\$ 3.98	6/01/2015
Jaye Viner, M.D.		60,000	120,000	\$ 3.09	2/18/2024
	117,187	257,813		\$ 4.11	8/27/2023
Daniel R. Passeri (3)		100,000	200,000	\$ 3.09	2/18/2024
	87,500	112,500		\$ 3.32	1/17/2023
	275,000	125,000		\$ 4.52	1/05/2022
	187,499	12,501		\$ 2.15	1/07/2021
	200,000			\$ 2.27	2/02/2020
	300,000			\$ 1.07	2/05/2019
	202,000			\$ 0.79	10/24/2018
	300,000			\$ 1.43	1/25/2018
	500,000			\$ 1.39	6/06/2017
	390,000			\$ 1.57	5/31/2016
	175,000			\$ 3.98	6/01/2015

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- (1) Such stock options will expire 10 years from date of grant. These stock options vest over a period of four years with 25% of the shares underlying the grant vesting on the first anniversary of the grant date and an additional 6.25% of the shares underlying the grant vesting at the end of each successive three-month period until the option is fully vested on the fourth anniversary of the grant date, subject to the continued employment of the executive officer. In the event of a change in control, 50% of the then unvested options would become immediately exercisable. Under the terms of the 2000 and Amended and Restated 2010 Plans, a change in control generally occurs in the event we merge with or into another company or we sell all or substantially all of our assets. In addition, under the terms of the 2000 and Amended and Restated 2010 Plans, in the event an executive officer terminates his or her employment for good reason (as defined in the plan) or we terminate the executive officer without cause (as defined in the plan) within one year after a change in control, then all options held by the executive officer would become fully vested upon such termination.
- (2) Represents a performance-based stock option to purchase shares of common stock that vests and becomes exercisable, if at all, as to 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$6.00 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$7.50 per share for a period of 60 consecutive trading days, 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$9.00 per share for a period of 60 consecutive trading days, and 25% of the shares underlying the option when our publicly-traded stock price has equaled or exceeded \$10.50 per share for a period of 60 consecutive trading days, provided in each case that the recipient continues to provide service on the applicable vesting date and, provided further that, in no event will this option vest in whole or in part on or after three years from the date of grant.
- (3) Mr. Passeri ceased serving as our chief executive officer in June 2014, but continues to serve as our vice chairman of our board of directors. Mr. Passeri also provides certain consulting services to us as described under Related Person Transactions.

Employment Agreements

We are party to the following employment arrangements with our executive officers.

Ali Fattaey, Ph.D. On June 2, 2014, we entered into an employment agreement with Dr. Fattaey under which he will serve as our president and chief executive officer, which supersedes the prior employment agreement dated February 19, 2013, as amended, under which Dr. Fattaey served as our president and chief operating officer. The agreement is intended to comply with the applicable provisions of Section 409A of the Code. Dr. Fattaey's current base salary, which is subject to annual review by the board and/or compensation committee, is set at \$515,000 per annum. Dr. Fattaey's agreement also provides for reimbursement of specified commuting expenses, up to a maximum of \$10,000, and specified expenses related to his tax preparation, up to a maximum of \$7,500. Dr. Fattaey is entitled to participate in our medical and other benefits program, and may be entitled to receive an annual bonus based on the achievement of specific objectives established by the board. Dr. Fattaey is also entitled to receive severance benefits under the agreement in the event of his termination without cause or for good reason (as defined in the agreement) and he is also entitled to receive certain payments if he is terminated within one year after a change in control. For a description and quantification of such severance and change in control benefits, see Potential Payments Upon Termination or Change In Control. In addition, the agreement provides for certain indemnification provisions. For a description of such indemnification provisions, see Indemnification of Executive Officers.

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Michael P. Gray. On December 15, 2003, we entered into an employment agreement with Mr. Gray. The agreement, as amended on October 31, 2006, October 27, 2008 and December 10, 2010, is intended to comply with the applicable provisions of Section 409A of the Code. Mr. Gray's current base salary, which is subject to annual review by the board and/or compensation committee, is \$412,000. Mr. Gray is entitled to participate in our medical and other benefit programs and may be entitled to receive an annual bonus based on the achievement of specific objectives established by the board. Mr. Gray is also entitled to receive severance benefits under the agreement in the event of his termination without cause or for good reason (as defined in the agreement) and he is also entitled to receive certain payments if he is terminated within one year after a change in control. For a description and quantification of such severance and change in control benefits, see Potential Payments Upon Termination or Change In Control. In addition, the agreement provides for certain indemnification provisions. For a description of such indemnification provisions, see Indemnification of Executive Officers.

Jaye Viner, M.D. On August 13, 2013, Dr. Jaye Viner was appointed our executive vice president and chief medical officer and on August 28, 2013, we entered into an employment agreement with Dr. Viner. The agreement is intended to comply with the applicable provisions of Section 409A of the Code. Dr. Viner's current base salary, which is subject to annual review by the board and/or compensation committee, is set at \$422,000 per annum. Dr. Viner's agreement also provided for a one-time signing bonus of \$80,000, which was paid after her 90 day of employment with the company, and reimbursement for reasonable interim commuting expenses incurred, as approved by company, for a period not to exceed nine months from the commencement of her employment with the company. Dr. Viner is entitled to participate in our medical and other benefits program, and may be entitled to receive an annual bonus based on the achievement of specific objectives established by the board. Dr. Viner is also entitled to receive severance benefits under the agreement in the event of her termination without cause or for good reason (as defined in the agreement) and she is also entitled to receive certain payments if she is terminated within one year after a change in control. For a description and quantification of such severance and change in control benefits, see Potential Payments Upon Termination or Change In Control. In addition, the agreement provides for certain indemnification provisions. For a description of such indemnification provisions, see Indemnification of Executive Officers.

Indemnification of Executive Officers

Our certificate of incorporation provides indemnification of our executive officers for any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action or claim by or in the right of the company) by reason of the fact that such person serves as an executive officer, to the maximum extent permitted by the General Corporation Law of Delaware. The certificate of incorporation further provides that executive officers may be entitled to additional indemnification, under any agreement or vote of the directors.

Each of our executive officer employment agreements also provides that we will indemnify each such executive officer for claims arising in his or her capacity as our executive officer, provided that he acted in good faith and in a manner that he reasonably believed to be in, or not opposed to, our best interests. With respect to any criminal proceeding, the executive officer must have no reasonable cause to believe that the conduct was unlawful. If the claim is brought by us or on our behalf, we will not be obligated to indemnify the executive officer if the executive officer is found liable to us, unless the court determines that, despite the adjudication of liability, in view of all the circumstances of the case the executive officer is fairly and reasonably entitled to be indemnified. In the event that we do not assume the defense of a claim against the executive officer, we are required to advance his or her expenses in connection with his or her defense, provided that he or she undertakes

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to repay all amounts advanced if it is ultimately determined that he or she is not entitled to be indemnified by us. We will require that any successor to our business assumes and agrees to perform our obligations under the indemnification provisions.

In connection with our indemnification obligations we have and intend to maintain director and officer liability insurance, if available.

Potential Payments Upon Termination or Change in Control

Each of the above-described employment agreements with our executive officers provides that in the event we terminate the executive officer's employment without cause or if the executive officer resigns for good reason (each as defined in the agreements) including a termination within twelve months after a change in control of the company, the executive officer will receive: (1) his or her base salary (as defined in the agreement) accrued through the last day of employment; (2) continuation of his or her then base salary or a portion thereof for the periods and amounts described in the table below, and (3) payment of a portion of the executive officer's COBRA premiums, which is calculated as the difference between the COBRA premium and the amount paid by the employee for medical/dental insurance, for the periods and amounts described in the table below. In order for our executive officers to receive these severance payments, the executive officer must execute a general release of all claims against the company, its employees, officers, directors and agents in a form acceptable to us.

Pursuant to the terms of Mr. Gray's employment agreement, if Mr. Gray is considered a specified employee on the date of his termination within the meaning of Section 409A(a)(2)(B)(i) of the Code, and any payments to be paid or provided to such executive officer constitute nonqualified deferred compensation within the meaning of Section 409A of the Code, then the severance and benefit payments per the table below will be delayed by a period of six months and will be paid in a lump sum in the seventh month following the date of termination. Pursuant to the terms of their employment agreements, if either Dr. Fattaey or Dr. Viner is considered a specified employee on the date of his or her termination, then his or her severance and benefit payments will be paid within the short-term deferral period, which means the period ending on the later of the 15th day of the third month following the end of the employee's tax year in which such employee's separation from service occurs and the 15th day of the third month following the end of our tax year in which such employee's separation from service occurs, and shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A of the Code. If Dr. Fattaey's or Dr. Viner's severance and benefit payments are not paid within the short-term deferral period then such payments will be delayed by a period of six months and will be paid in a lump sum in the seventh month following the date of termination.

Pursuant to the terms of our 2000 stock incentive plan and our Amended and Restated 2010 Plan, unless otherwise provided in the applicable award agreement (such as is the case with respect to the performance-based options granted to our executive officers in 2014), at the time of a change in control, 50% of the then-unvested options to purchase our common stock held by each plan participant, including executive officers, would become immediately exercisable and the forfeiture restriction on all outstanding restricted stock awards would lapse with respect to 50% of the number of shares that otherwise would have first become free from such forfeiture restrictions after the date of the change in control. In addition, in the event an executive officer terminates his or her employment for good reason (as defined in the applicable plan) or we terminate the executive officer without cause (as defined in the applicable plan) within one year after such change in control, then all remaining unvested options and restricted stock held by the executive officer would become fully vested and/or free of all forfeiture restrictions, as applicable.

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The table below sets forth the estimated benefits provided to each of our named executive officers, other than Mr. Passeri who ceased serving as our chief executive officer as of June 2, 2014, upon a termination event described above, assuming such termination event occurred on December 31, 2014, the last day of our most recently completed fiscal year.

Name	Severance Term in Months	Severance Upon Termination (\$)	Value of Equity Acceleration (1)	Benefits Upon Termination (\$)	Total Benefits
Ali Fattaey, Ph.D.					
President and Chief Executive Officer	Twelve	\$ 475,000	\$	\$	\$ 475,000
Michael P. Gray					
Chief Financial Officer and Chief Business Officer	Six	\$ 200,000	\$	\$ 7,174	\$ 207,174
Jaye Viner, M.D.					
Executive Vice President and Chief Medical Officer	Six	\$ 205,000	\$	\$ 2,588	\$ 207,588

- (1) Represents the value of that portion of each named executive officer's in-the-money stock options that would accelerate upon a change in control, assuming such change in control occurred on December 31, 2014, after deducting the exercise price and based upon the \$1.50 closing price of our common stock on the Nasdaq Global Market on December 31, 2014. As noted above, pursuant to the terms of our stock incentive plans, unless otherwise provided in the applicable award agreement (such as is the case with respect to the options granted to our executive officers in 2014), at the time of a change in control, 50% of the then-unvested options become immediately exercisable. In addition, in the event an executive officer terminates his or her employment for good reason (as defined in the applicable plan) or we terminate the executive officer without cause (as defined in the applicable plan) within one year after such change in control, then all remaining unvested options held by the executive officer would become fully vested and/or free of all forfeiture restrictions, as applicable. All unvested options held by our executive officers are under water, meaning that they have exercise prices that are higher than of the market price of the shares of our common stock at December 31, 2014 and, as such, have no intrinsic value as of December 31, 2014. Under water options held by our executive officers at December 31, 2014 are: Dr. Fattaey, 1,125,000; Mr. Gray, 336,252; and Dr. Viner, 437,813.

Director Compensation Table

The following table sets forth a summary of the compensation earned by or paid to our non-employee directors in 2014:

Name	Fees Earned or Paid In Cash(\$)	Option Awards (\$)(1)(2)	All Other Compensation (\$)	Total (\$)
Martyn D. Greenacre	\$ 41,500	\$ 49,648	\$	\$ 91,148
Kenneth I. Kaitin, Ph.D.	38,000	49,648		87,648
Robert E. Martell, M.D., Ph.D.	34,500	49,648		84,148
James R. McNab, Jr.	135,750(3)	168,802	36,106(4)	340,658
Daniel R. Passeri	62,921(5)		197,833(6)	260,754
Kenneth J. Pienta, M.D.	34,500	49,648	50,000(7)	134,148
Marc Rubin, M.D.	34,500	49,648		84,148
James R. Tobin	36,500	49,648		86,148

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- (1) The amounts in this column reflect the grant date fair value of awards made to such individual in accordance with FASB Codification Topic 718 and other relevant guidance, excluding forfeitures, for awards in 2014 pursuant to our Amended and Restated 2010 Plan. Assumptions used in the calculation of these amounts are included in footnote 4 to our audited financial statements for the fiscal year ended December 31, 2014 included in our Annual Report on Form 10-K filed with the SEC on February 24, 2015. Mr. Passeri received an award while serving as our chief executive officer in February 2014 and ceased serving in that capacity as of June 2, 2014, but retained his position on our board of directors and currently services as vice chairman of our board of directors. Mr. Passeri will retain all awards previously granted as long as he maintains a relationship with us.
- (2) At December 31, 2014, each of our current non-employee directors held options to purchase shares of our common stock as follows:

Director	Aggregate Number of Stock Options
Martyn D. Greenacre	230,000
Kenneth I. Kaitin, Ph.D.	230,000
Robert E. Martell, M.D., Ph.D.	125,000
James R. McNab, Jr.	360,000
Daniel R. Passeri (a)	3,167,000
Kenneth J. Pienta, M.D.	167,188
Marc Rubin, M.D.	150,000
James R. Tobin	177,500

- (a) All of which were granted to Mr. Passeri while serving as our chief executive officer.
- (3) On June 1, 2005, we entered into an agreement with Mr. McNab relating to his service as chairman of the board of directors. As chairman of the board of directors, Mr. McNab receives a cash payment of \$10,000 per month plus board attendance fees.
- (4) Consists of payments made by us to reimburse the cost of Mr. McNab's annual health insurance expense.
- (5) Of this amount, (i) \$57,671 represents that portion of the annual cash retainer of \$100,000 per year paid to Mr. Passeri in 2014 in consideration for his services as vice chairman of our board of directors and (ii) \$5,250 for non-employee director per-meeting fees.
- (6) Represents fees paid to Mr. Passeri for his services as a consultant in the areas of intellectual property, corporate and strategic matters, among others. Mr. Passeri served as chief executive officer until June 2, 2014 and his compensation relating to that position is described in the Summary Compensation Table above.
- (7) Represents the annual cash retainer paid to Dr. Pienta in 2014 in consideration for his services as chairman of our scientific and clinical advisory board.

Non-employee directors receive an initial stock option grant upon election to the board and an annual stock option grant each year thereafter. Stock option awards made upon initial election to the board are made for 25,000 shares of common stock, vest and become exercisable as to 25% of the shares underlying the award upon the first anniversary of the date of grant and as to 6.25% of the remaining shares underlying the award upon each three-month period thereafter until all of such shares have vested, subject to the director's continued service, have a term of ten years and are granted at fair market value on the date of grant. Annual stock option awards to our non-employee directors, other than the chairman of the board, are made for 25,000 shares of common stock, vest and become exercisable as to 1/12 of the shares underlying the award on a monthly basis until all of such

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shares have vested, subject to the director's continued service, have a term of ten years and are granted at fair market value on the date of grant. Annual stock option awards to the chairman of the board are made for 85,000 shares of common stock, vest and become exercisable as to 1/12 of the shares underlying the award on a monthly basis until all of such shares have vested, subject to Mr. McNab's continued service, have a term of ten years and are granted at fair market value on the date of grant. In addition, non-employee directors, other than Mr. McNab and Mr. Passeri, received an annual cash retainer of \$15,000 in 2014. This amount was increased to \$25,000 per year for 2015. Mr. McNab receives an annual cash retainer of \$120,000 and Mr. Passeri receives an annual cash retainer of \$100,000. Non-employee directors who serve as committee chairpersons of the nominating and corporate governance committee, the compensation committee, or the science and technology committee receive an additional \$5,000 payment for such committee chairperson services. Non-employee directors who serve as the committee chairperson of the audit committee receive an additional payment of \$10,000 for such committee chairperson services. Directors are paid additional cash compensation in the amount of \$1,500 for each board or committee meeting attended in person and \$750 for telephonic meetings. In addition, directors are reimbursed for reasonable out-of-pocket expenses that are incurred due to attendance at board or committee meetings. Directors who are our employees are not compensated for their attendance at board or committee meetings.

Indemnification of Directors

Our certificate of incorporation provides indemnification of our directors for any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action or claim by or in the right of the company) by reason of the fact of that such person serves as a director, to the maximum extent permitted by the General Corporation Law of Delaware. The certificate of incorporation further provides that directors may be entitled to additional indemnification, under any agreement or vote of the directors.

We have entered into indemnification agreements with each of our non-employee directors. The indemnification provisions apply to each such director and state that we will indemnify him for claims arising in his capacity as our director, provided that he acted in good faith and in a manner that he reasonably believed to be in, or not opposed to, our best interests. With respect to any criminal proceeding, the director must have no reasonable cause to believe that the conduct was unlawful. If the claim is brought by us or on our behalf, we will not be obligated to indemnify the director if the director is found liable to us, unless the court determines that, despite the adjudication of liability, in view of all the circumstances of the case, the director is fairly and reasonably entitled to be indemnified. In the event that we do not assume the defense of a claim against the director, we are required to advance his expenses in connection with his defense, provided that he undertakes to repay all amounts advanced if it is ultimately determined that he is not entitled to be indemnified by us. We will require that any successor to our business assumes and agrees to perform our obligations under the indemnification provisions.

In connection with our indemnification obligations we have and intend to maintain director and officer liability insurance, if available on reasonable terms. See [Indemnification of Executive Officers](#) for a discussion of our indemnification arrangements with Dr. Fattaey.

Table of Contents**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table provides information as of December 31, 2014 regarding compensation plans (including individual compensation arrangements) under which our equity securities are authorized for issuance.

	(a)	(b)	(c)
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (1)
Equity compensation plans approved by security holders	11,319,619	\$ 2.66	1,924,438
Equity compensation plans not approved by security holders			
Total	11,319,619	\$ 2.66	1,924,438

- (1) Comprised of 1,749,752 shares available for grant under the Amended and Restated 2010 Plan and 174,686 shares available for sale under the 2010 Employee Stock Purchase Plan. The 2010 Employee Stock Purchase Plan was approved by our stockholders in June 2010. The 2010 Stock Incentive Plan was approved by our stockholder in June 2010 and the Amended and Restated 2010 Plan was approved by our stockholders in May 2013.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended December 31, 2014, the members of our compensation committee were Dr. Kaitin, Dr. Martell and Mr. Tobin, none of whom was a current or former officer or employee of Curis or its subsidiaries and none of whom had any related person transaction involving the company.

During the fiscal year ended December 31, 2014, none of our executive officers served as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that had one or more of its executive officers serving as a member of our board of directors or our compensation committee.

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Compensation Committee Report

The information contained in this report shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the U.S. Securities and Exchange Commission, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that we specifically request that it be treated as soliciting material or specifically incorporate it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. The compensation committee has reviewed and discussed the Compensation Discussion and Analysis, required by Item 402(b) of Regulation S-K with Curis management. Based on this review and discussion, the compensation committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the compensation committee of our board of directors.

James R. Tobin (Chair)

Kenneth I. Kaitin

Robert E. Martell

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**PROPOSAL 2 APPROVAL OF AN AMENDMENT TO
THE AMENDED AND RESTATED 2010 STOCK INCENTIVE PLAN**

On April 6, 2010, our board of directors adopted, the 2010 Stock Incentive Plan, which was approved by our stockholders at the June 3, 2010 annual meeting of stockholders. Up to 6,000,000 shares of our common stock (subject to adjustment in the event of stock splits and other similar events) were reserved for issuance pursuant to awards granted under the 2010 Stock Incentive Plan. On March 28, 2013, our board of directors adopted the Amended and Restated 2010 Plan, whereby an additional 3,000,000 shares of our common stock were authorized to be issued under the 2010 Stock Incentive Plan, which was approved by our stockholders at the May 30, 2013 annual meeting of stockholders. As a result, up to 9,000,000 shares of our common stock (subject to adjustment in the event of stock splits and other similar events) were reserved for issuance pursuant to awards granted under the Amended and Restated 2010 Plan.

The following table provides information as of March 30, 2015, the record date for our annual meeting, regarding stock incentive plans other than for our 2010 Employee Stock Purchase Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted average exercise price of outstanding options, warrants and rights	Weighted average remaining years of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (2)
Equity compensation plans approved by security holders	12,650,494	\$ 2.60	6.26	323,252
Equity compensation plans not approved by security holders				
Total	12,650,494	\$ 2.60	6.26	323,252

(1) Amounts are comprised solely of securities to be issued under outstanding stock options. There were zero full-value awards outstanding and unvested as of March 30, 2015.

(2) Amount comprised solely of shares available for grant under the Amended and Restated 2010. Excludes securities to be issued upon exercise of outstanding options, warrants and rights.

On March 19, 2015, our compensation committee recommended, and our board of directors adopted, subject to stockholder approval, an amendment to the Amended and Restated 2010 Plan, whereby an additional 10,000,000 shares of our common stock were authorized to be issued under the Amended and Restated 2010 Plan. As a result, up to 19,000,000 shares of our common stock (subject to adjustment in the event of stock splits and other similar events) were reserved for issuance pursuant to awards granted under the Amended and Restated 2010 Plan.

Highlights of the Amended and Restated 2010 Stock Incentive Plan

The highlights of the Amended and Restated 2010 Plan are:

The maximum number of shares of common stock available for awards under the Amended and Restated 2010 Plan is increased by 10,000,000 shares from 9,000,000 shares to 19,000,000 shares;

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Grants of full-value awards are deemed for purposes of determining the number of shares available for future grants under the Amended and Restated 2010 Plan as an award for 1.3 shares for each share of common stock subject to the award. Grants of stock options or stock appreciation rights are deemed to be an award of one share for each share of common stock subject to the award;

Shares tendered or held back for taxes will not be added back to the reserved pool under the Amended and Restated 2010 Plan. Upon the exercise of a stock appreciation right that is settled in shares of common stock, the full number of shares underlying the award will be charged to the reserved pool. Additionally, shares we reacquire on the open market or otherwise using cash proceeds of option exercises will not be added to the reserved pool;

Stock options and stock appreciation rights will not be repriced in any manner without stockholder approval;

The award of stock options (both incentive and non-qualified options), stock appreciation rights, restricted stock, restricted stock units and other stock-based awards is permitted;

Minimum vesting periods (both time-based and performance-based) are required for stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards under the Amended and Restated 2010 Plan, other than with respect to stock options granted to non-employee directors, or for stock awards granted in lieu of salary, bonus or other compensation otherwise earned by or payable to the award recipient;

The Amended and Restated 2010 Plan is administered by the compensation committee, which is comprised entirely of independent directors;

All stock options and stock appreciation rights must have an exercise price or measurement price equal to or greater than the fair market value of the underlying common stock on the date of grant; and

Any material amendment to the Amended and Restated 2010 Plan is subject to approval by our stockholders.

Rationale For Share Plan Increase

Our board believes that adding an additional 10,000,000 shares to the Amended and Restated 2010 Plan will provide sufficient shares for us to continue to grant meaningful long term incentive compensation to our current and future employees through approximately 2018, including our granting of Contingent Options Awards (as defined below) and assuming that our employee base grows as we continue to advance our proprietary cancer drug candidates.

Our board believes that our future success depends, in large part, upon our ability to maintain a competitive position in attracting, retaining and motivating key personnel. We operate in an extremely competitive environment with respect to the hiring and retention of qualified employees. As a result, our approach to compensation considers the full range of compensation techniques that enable us to compete with our peers to attract and retain key personnel. Equity compensation is one of the critical components of our compensation package because it (i) develops a culture of ownership among our employees, (ii) aligns the interests of employees and non-employee directors with the interests of our other stockholders and (iii) preserves our cash resources. We believe that the addition of 10,000,000 shares of our common stock under the Amended and Restated 2010 Plan will allow us to continue to recruit leading professionals for key positions within our company as well as to retain and incentivize our current employees.

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The proposed addition of shares to our Amended and Restated 2010 Plan under this Proposal 2 would replenish the shares and further facilitate our ability to continue to grant equity incentives pursuant to the Amended and Restated 2010 Plan, which are vital to our ability to fully engage and attract and retain the highly skilled individuals required to support our anticipated growth in the extremely competitive labor markets in which we compete. Our employees are some of our most valuable assets, and such awards are crucial to our ability to motivate individuals in our service to achieve our goals. We strongly believe that the approval of the proposed share increase is instrumental to our continued success. Accordingly, we are seeking stockholder approval of an increase in the number of shares issuable under our Amended and Restated 2010 Plan.

In February 2015, the compensation committee granted the following stock options to our executive officers subject to shareholder approval of a plan increase to our Amended and Restated 2010 Plan as summarized under this Proposal 2, collectively referred to as the Contingent Option Awards:

Name	Number of Shares
Ali Fattaey, Ph.D., President & Chief Executive Officer	900,000
Michael P. Gray, Chief Financial Officer and Chief Business Officer	80,000
Jaye Viner, M.D., Executive Vice President and Chief Medical Officer	80,000

The Contingent Option Awards were granted in connection with an annual review of executive compensation and are intended to create further incentive for our executive officers to increase stockholder value over time through stock price growth, thereby aligning our executives' interests with those of our stockholders. The Contingent Option Awards have an exercise price equal to \$2.39, the fair market value of our common stock on the date of grant, and will vest as to 25% of the shares underlying each Contingent Option Award on the first anniversary of the date of grant and as to an additional 6.25% of the share underlying each Contingent Option Award at the end of each three-month anniversary thereafter until all of such shares underlying such award shall become exercisable, subject to continued service, provided that the Contingent Option Awards will automatically terminate and be forfeited if the stockholders do not approve this amendment to the Amended and Restated 2010 Plan within 12 months of the grant date of the options, and further provided that the options will not be exercisable and no common stock will be issuable thereunder before the approval of this amendment to the Amended and Restated 2010 Plan by our stockholders.

Burn Rate

In developing our share request for the Amended and Restated 2010 Plan and analyzing the impact of utilizing equity on our shareholders, we considered both our burn rate and our overhang, which we consider to be important metrics of how our equity compensation program affects our shareholders.

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Burn rate provides a measure of the potential dilutive impact of our annual equity award program. Our burn rate is lower than the average biotechnology company. Set forth below is a table that reflects our burn rate for the 2014, 2013 and 2012 calendar years as well as the average over those years.

Calendar Year	Options Granted (1)	Basic Weighted Average Number of Common Shares Outstanding	Gross Burn Rate (2)
2014	2,275,500	85,974,535	2.6%
2013	2,861,000	82,339,493	3.5%
2012	1,652,000	79,059,153	2.1%
Three-Year Average	2,262,833	82,457,727	2.7%

- (1) We granted performance-based stock options to our executive officers in 2014. The table above includes 100% of these performance based awards (assumes that all will be earned).
- (2) Gross burn rate is defined as the number of equity awards granted in the year divided by the basic weighted average number of common shares outstanding.

Overhang is a measure of potential dilution and is defined as the sum of (i) the total number of shares underlying all equity awards outstanding and (ii) the total number of shares available for future grant awards, divided by the sum of (a) the total number of shares underlying all equity awards outstanding, (b) the total number of shares available for future award grants and (c) the basic weighted average common shares outstanding for the respective reporting period. As of March 31, 2015, there were 8,308,314 shares underlying all equity awards outstanding, 323,252 shares available for future award grants, and the basic weighted average common shares outstanding for the quarter ended March 31, 2015 was 107,934,493. Accordingly, our overhang at March 31, 2015 was 7.4%, excluding the Contingent Option Awards. If the 10,000,000 shares proposed to be authorized for grant under the Amended and Restated 2010 Plan are included in the calculation, our overhang would have been 14.7% at March 31, 2015, including the Contingent Option Awards.

Description of the Amended and Restated 2010 Plan

The following is a summary of the Amended and Restated 2010 Plan, as amended by this amendment, a copy of which is attached as [Exhibit A](#) to this proxy statement and incorporated herein by reference.

Number of Shares Available for Award

Up to 19,000,000 shares of our common stock (subject to adjustment in the event of stock splits and other similar events) may be issued pursuant to awards granted under the Amended and Restated 2010 Plan.

The Amended and Restated 2010 Plan uses a fungible share concept under which each share of stock subject to awards granted as options and stock appreciation rights, or SARs, cause one share per share under the award to be removed from the available share pool, while each share of stock subject to awards granted as restricted stock, restricted stock units, other stock-based awards or performance awards where the price charged for the award is less than 100% of the fair market value of our common stock will cause 1.3 shares per share under the award to be removed from the available share pool. Shares covered by awards under the Amended and Restated 2010 Plan that are forfeited, cancelled or otherwise expire without having been exercised or settled, or that are settled by cash or other non-share consideration, become available for issuance pursuant to a new award and will be credited back to the pool at the same rates described above. Shares that are tendered or withheld to pay the exercise price of an award or to satisfy tax withholding obligations are not available for issuance pursuant

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to new awards. Shares are subtracted for exercises of SARs using the proportion of the total SAR that is exercised, rather than the number of shares actually issued. Shares repurchased by us on the open market using proceeds from the exercise of an award will not increase the number of shares available for future grant of awards.

Types of Awards

The Amended and Restated 2010 Plan provides for the grant of incentive stock options intended to qualify under Section 422 of the Code, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards, and cash-based awards as described below.

Incentive Stock Options and Non-statutory Stock Options. Optionees receive the right to purchase a specified number of shares of common stock at a specified option price and subject to such other terms and conditions as are specified in connection with the option grant. Options may be granted only with an exercise price that is equal to or greater than the fair market value of the common stock on the date of grant, provided that if our board approves the grant of an option effective as of a future date, the exercise price may be not less than 100% of the fair market value on such future date. Under present law, incentive stock options granted to optionees holding more than 10% of the voting power of Curis may not have an exercise price that is less than 110% of the fair market on the date of grant. Options may not be granted for a term in excess of ten years (five years in the case of incentive stock options granted to optionees holding more than 10% of the voting power of Curis). The Amended and Restated 2010 Plan permits the following forms of payment of the exercise price of options:

cash or check;

subject to certain conditions, delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to us sufficient funds to pay the exercise price and any required tax withholding or delivery by the participant to us of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to us cash or a check sufficient to pay the exercise price and any required tax withholding;

subject to certain conditions, delivery of shares of common stock owned by the participant valued at their fair market value;

to the extent provided for in the applicable nonstatutory stock option agreement or approved by the board in its sole discretion, by delivery of a notice of net exercise to us;

any other lawful means; or

any combination of these forms of payment.

An option that vests solely based on the passage of time will not vest earlier than the first anniversary of its date of grant, unless the option is granted in lieu of salary, bonus or other compensation otherwise earned by or payable to the participant. Notwithstanding the foregoing, the board, either at the time the option is granted or at any time thereafter, may allow an option to accelerate and become vested, in whole or in part, prior to the first anniversary of its date of grant, if the participant dies or becomes disabled, the participant's employment by or service to us is terminated under specified circumstances, or in the event of a merger, consolidation, sale, reorganization, recapitalization, or change in control of the Company.

Stock Appreciation Rights. A stock appreciation right, or SAR, is an award entitling the holder, upon exercise, to receive an amount in common stock or cash or a combination thereof determined by reference to appreciation, from and after the date of grant, in the fair market value of a share of common stock over the

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measurement price specified in the applicable SAR agreement. The measurement price may not be less than 100% of the fair market value on the date the SAR is granted; provided that if our board approves the grant of an SAR effective as of a future date, the measurement price may be not less than 100% of the fair market value on such future date. SARs may not be granted for a term in excess of 10 years. SARs may be granted independently or in tandem with an Option.

Restricted Stock Awards. Awards of restricted stock entitle recipients to acquire shares of common stock, subject to our right to repurchase all or part of such shares from the recipient in the event that the conditions specified in the applicable award are not satisfied prior to the end of the applicable restriction period established for such award. Any dividends declared and paid by us with respect to shares of restricted stock will be paid to the participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares.

Restricted Stock Unit Awards. Restricted stock units awards entitle the recipient to receive shares of common stock to be delivered at the time such shares vest (or on a deferred basis) pursuant to the terms and conditions established by our board. To the extent a restricted stock unit award provides the recipient with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of common stock (referred to as dividend equivalents), the Amended and Restated 2010 Plan provides that such dividend equivalents must be subject to the same restrictions on transfer and forfeitability as the restricted stock units with respect to which such dividend equivalents are awarded.

Other Stock-Based Awards. Under the Amended and Restated 2010 Plan, our board has the right to grant other awards based upon the common stock having such terms and conditions as our board may determine, including the grant of shares based upon certain conditions, the grant of awards that are valued in whole or in part by reference to, or otherwise based on, shares of common stock, and the grant of awards entitling recipients to receive shares of common stock to be delivered in the future. Our board may also grant performance awards or cash-based awards. Any dividends or dividend equivalents with respect to other stock-based awards, cash-based awards, or performance awards must be subject to the same restrictions on transfer and forfeitability as the award with respect to which such dividend equivalents are awarded.

Performance Conditions. The compensation committee may determine, at the time of grant, that an award of restricted stock, a restricted stock unit award, or other stock-based award granted to an officer will vest solely upon the achievement of specified performance criteria designed to qualify for deduction under Section 162(m) of the Code. Performance awards can also provide for cash payments of up to \$1,000,000 per calendar year per individual. The performance criteria for each such award will be based on one or more of the following measures:

the entry into an arrangement or agreement with a third party for the development, commercialization, marketing or distribution of products, services or technologies, or for conducting a research program to discover and develop a product, service or technology, and/or the achievement of milestones under such arrangement or agreement, including events that trigger an obligation or payment right;

the achievement of domestic and international regulatory milestones, including the submission of filings required to advance products, services and technologies in clinical development and the achievement of approvals by regulatory authorities relating to the commercialization of products, services and technologies;

the achievement of discovery, preclinical and clinical stage scientific objectives, discoveries or inventions for products, services and technologies under research and development;

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the entry into or completion of a phase of clinical development for any product, service or technology, such as the entry into or completion of phase 1, 2 and/or 3 clinical trials;

the consummation of debt or equity financing transactions, or acquisitions of business, technologies and assets;

new product or service releases;

the achievement of qualitative or quantitative performance measures set forth in operating plans approved by our board from time to time;

specified levels of product sales, net income, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or taxes, sales, sales growth, earnings growth, cash flow or cash position, gross margins, stock price, market share, return on sales, assets, equity or investment, improvement of financial ratings, and

achievement of balance sheet or income statement objectives or total stockholder return.

Such goals may reflect absolute entity or business unit performance or a relative comparison to the performance peer group of entities or other external measures of the selected performance criteria and may be absolute in their terms or measured against, or in relationship to, other companies comparably, similarly or alternative situated. Such performance goals may be adjusted to exclude any one or more of:

extraordinary items;

gains or losses on the dispositions of discontinued operations;

the cumulative effects of changes in accounting principles;

the writedown of any asset; and

charges for restructuring and rationalization programs.

Such performance goals may vary by participant and may be different for different awards; may be particular to a participant or the department, branch, line of business, subsidiary or other unit in which the participant works and may cover such period as may be specified by the compensation committee; and will be set by the compensation committee within the time period prescribed by, and will otherwise comply with the requirements of, Section 162(m). The compensation committee may adjust downwards, but not upwards, the cash or number of shares payable pursuant to such award, and may not waive the achievement of the applicable performance measures except in the case of the participant's death or disability or a change in control.

We believe that disclosure of any further details concerning the performance measures for any particular year may be confidential commercial or business information, the disclosure of which would adversely affect us.

Transferability of Awards

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Except as our board may otherwise determine or provide in an award, awards may not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an incentive stock option, pursuant to a qualified domestic relations order. During the life of the participant, awards are exercisable only by the participant.

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Eligibility to Receive Awards

Our employees, officers and directors, as well as consultants and advisors to us are eligible to be granted awards under the Amended and Restated 2010 Plan. Under present law, however, incentive stock options may only be granted to our employees or those of our present or future parent or subsidiary corporations.

The maximum number of shares with respect to which awards may be granted to any participant under the Amended and Restated 2010 Plan may not exceed 1,000,000 shares per calendar year. For purposes of this limit, the combination of an option in tandem with SAR is treated as a single award and each share of common stock subject to an award (including each share of common stock subject to an award of restricted stock, a restricted stock unit award, other stock-based award or performance award) shall be treated as one share.

Plan Benefits

We cannot currently determine the benefits or number of shares subject to stock awards that may be granted in the future to executive officers, directors and employees under the Amended and Restated 2010 Plan because awards under the Amended and Restated 2010 Plan are determined by our board of directors in its discretion.

The following table sets forth information about equity-based awards granted under the Amended and Restated 2010 Plan as of March 30, 2015, the record date for our 2015 annual meeting of stockholders, to (i) each of our current named executive officers, (ii) all current executive officers as a group, (iii) all current non-employee directors as a group, (iv) all current non-executive officers and employees as a group, (v) each nominee for director, (vi) each associate of any director, executive officer or nominee for director, and (vii) each other current 5% holder or future 5% recipient. As of March 30, 2015, the record date for our 2015 annual meeting of stockholders, there were 8,308,314 shares of our common stock outstanding and subject to equity-based awards under the Amended and Restated 2010 Plan and 323,252 shares reserved for future issuance. As noted above, we are asking our shareholders to approve an amendment to the Amended and Restated 2010 Plan, whereby an additional 10,000,000 shares of our common stock will be authorized for issuance. As of the record date, the closing price of our common stock as reported on the NASDAQ Global Market was \$2.50 per share.

Table of Contents**PLAN BENEFITS****AMENDED AND RESTATED 2010 STOCK INCENTIVE PLAN**

Name and Position	Number of Shares Subject to Awards (#)
Ali Fattaey, Ph.D. (1)	1,400,000
President and Chief Executive Officer	
Michael P. Gray (2)	780,000
Chief Financial Officer and Chief Business Officer	
Jaye Viner, M.D. (2)	655,000
Executive Vice President and Chief Medical Officer	
All Current Executive Officers as a Group (3 persons)	2,835,000
All Current Non-Employee Directors as a Group (8 persons)	2,517,188
All Current Non-Executive Officers and Employees as a Group (36 persons)	2,433,126
James R. McNab, Jr.	425,000
Nominee for Director	
Kenneth J. Pienta, M.D.	192,188
Nominee for Director	
James R. Tobin	150,000
Nominee for Director	
Each associate of any Director, Executive Officer, or Nominee for Director	
Each Other Current 5% Holder or Future 5% Recipient	

- (1) The number of shares subject to awards does not include a Contingent Option Award of 900,000 shares of common stock to Dr. Fattaey if proposal 2 is passed by the shareholders.
- (2) The number of shares subject to awards does not include a Contingent Option Award of 80,000 shares of common stock to each of Mr. Gray and Dr. Viner if proposal 2 is passed by the shareholders.

Administration

The Amended and Restated 2010 Plan is administered by our board. Our board has the authority to adopt, amend and repeal the administrative rules, guidelines and practices relating to the Amended and Restated 2010 Plan and to interpret the provisions of the Amended and Restated 2010 Plan. Our board may construe and interpret the terms of the Amended and Restated 2010 Plan and any award agreements entered into under the Amended and Restated 2010 Plan. Pursuant to the terms of the Amended and Restated 2010 Plan, our board may, subject to certain limitations, delegate authority under the Amended and Restated 2010 Plan to one or more committees or subcommittees of our board. Discretionary awards to non-employee directors may be granted and administered only by our board or a committee, all of the members of which are independent directors as defined by Section 5605(a)(2) of the NASDAQ Stock Market Marketplace Rules. Subject to certain limitations, the board may delegate to one or more officers the power to grant options and other awards that are treated as rights under Delaware law and to exercise such other powers under the Amended and Restated 2010 Plan as the board may determine.

Subject to any applicable limitations contained in the Amended and Restated 2010 Plan, our board or any committee to whom our board delegates authority, as the case may be, selects the recipients of awards and determines (i) the number of shares of common stock covered by options and the dates upon which such options

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become exercisable, (ii) the exercise price of options (which may not be less than 100% of fair market value of the common stock), (iii) the duration of options (which may not exceed 10 years), and (iv) the number of shares of common stock subject to any SAR, awards of restricted stock, restricted stock unit award or other stock-based awards and the terms and conditions of such awards, including conditions for repurchase, issue price and repurchase price.

Adjustments for Changes in Common Stock and Certain Other Events

Our board is required to make appropriate adjustments in connection with the Amended and Restated 2010 Plan and any outstanding awards to reflect stock splits, stock dividends, recapitalizations, spin-offs and other similar changes in capitalization. The Amended and Restated 2010 Plan also contains provisions addressing the consequences of any Reorganization Event, which is defined as:

any merger or consolidation of us with or into another entity as a result of which all of our common stock is converted into or exchanged for the right to receive cash, securities or other property, or is cancelled;

other transaction; or

our liquidation or dissolution.

In connection with a Reorganization Event, our board of directors or the compensation committee may take any one or more of the following actions as to all or any outstanding awards (other than restricted stock) on such terms as the board or compensation committee determines:

provide that awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof);

upon written notice, provide that all unexercised stock options or other unexercised awards will become exercisable in full and will terminate immediately prior to the consummation of such Reorganization Event unless exercised within a specified period following the date of such notice;

provide that outstanding awards will become realizable or deliverable, or restrictions applicable to an award will lapse, in whole or in part prior to or upon such Reorganization Event;

in the event of a Reorganization Event under the terms of which holders of our common stock will receive, upon consummation thereof, a cash payment for each share surrendered in the Reorganization Event, or Acquisition Price, make or provide for a cash payment to an award holder equal to (i) the Acquisition Price times the number of shares of our common stock subject to the holder's awards (to the extent the exercise price does not exceed the Acquisition Price) minus (ii) the aggregate exercise price of all the holder's outstanding awards, in exchange for the termination of such awards;

provide that, in connection with a liquidation or dissolution of our company, awards will convert into the right to receive liquidation proceeds (if applicable, net of the exercise price thereof); and

any combination of the foregoing.

Upon the occurrence of a Reorganization Event other than a liquidation or dissolution, our repurchase and other rights with respect to outstanding restricted stock shall inure to the benefit of our successor and shall, unless our board of directors determines otherwise, apply to the cash, securities or other property which the common stock was converted into or exchanged for pursuant to such Reorganization Event in the

same manner and to the same extent as they applied to such restricted stock; *provided, however*, that our board of directors

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may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any restricted stock or any other agreement between us and an Amended and Restated 2010 Plan participant, either initially or by amendment. Upon the occurrence of a Reorganization Event involving a liquidation or dissolution, except to the extent specifically provided to the contrary in the instrument evidencing any restricted stock, all restrictions and conditions on all restricted stock then outstanding shall automatically be deemed terminated or satisfied.

Unless otherwise provided for in the instrument evidencing any stock option or any other agreement between us and an Amended and Restated 2010 Plan participant, effective immediately prior to a Change in Control Event (as this term is defined in the Amended and Restated 2010 Plan), the vesting schedule of all options and awards of restricted stock then outstanding shall be accelerated in part so that one-half of the number of shares that would otherwise have first become vested and/or free from restrictions and conditions on any date after the date of the Change in Control Event shall immediately become exercisable. The remaining one-half of such number of shares shall continue to become vested in accordance with the original vesting schedule set forth in such option or award of restricted stock, with one-half of the number of shares that would otherwise have become vested and/or free from restrictions and conditions on each subsequent vesting date in accordance with the original schedule becoming vested on each such subsequent vesting date; *provided, however*, that each such option and award of restricted stock shall be immediately exercisable in full and/or free from restrictions and conditions if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the Acquiring Corporation (as this term is defined in the Amended and Restated 2010 Plan) is terminated for Good Reason (as this term is defined in the Amended and Restated 2010 Plan) by the participant or is terminated without Cause (as this term is defined in the Amended and Restated 2010 Plan) by the Company or the Acquiring Corporation.

Our board of directors may specify in an award at the time of grant the effect of a Change in Control Event on an SAR or other stock-based award.

Except as described above, our board of directors or the compensation committee may at any time provide that any award will become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

If any award expires or is terminated, surrendered, canceled or forfeited, the unused shares of our common stock covered by such award will again be available for grant under the Amended and Restated 2010 Plan, subject, in the case of incentive stock options, to any limitations under the Code.

Substitute Awards

In connection with a merger or consolidation of an entity with us or the acquisition by us of property or stock of an entity, our board may grant awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute awards may be granted on such terms as our board deems appropriate in the circumstances, notwithstanding any limitations on awards contained in the Amended and Restated 2010 Plan. Substitute awards will not count against the overall share limit or any sublimits under the Amended and Restated 2010 Plan, except as may be required by the Code.

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Restrictions on Repricing

Unless our stockholders approve such action (or it is appropriate under a change in capitalization, a reorganization event, or a Change in Control Event), the Amended and Restated 2010 Plan provides that we may not:

amend any outstanding stock option or SAR granted under the Amended and Restated 2010 Plan to provide an exercise price per share that is lower than the then-current exercise or measurement price per share of such outstanding award;

cancel any outstanding option or SAR (whether or not granted under the Amended and Restated 2010 Plan) and grant in substitution therefor new awards under the Amended and Restated 2010 Plan (other than as substitute awards as described above) covering the same or a different number of shares of common stock and having an exercise or measurement price per share lower than the then-current exercise or measurement price per share of the cancelled award;

cancel for cash any options or SARs that then have exercise or measurement prices per share below the fair market value of our common stock; or

take any other action that constitutes a repricing within the meaning of the rules of the NASDAQ Stock Market.

Provisions for Foreign Participants

Our board of directors or the compensation committee may modify awards granted to participants who are foreign nationals or employed outside the United States, or establish subplans or procedures under the Amended and Restated 2010 Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

Amendment or Termination

No Award may be made under the Amended and Restated 2010 Plan after June 3, 2020 but awards previously granted may extend beyond that date. Our board of directors may at any time amend, suspend or terminate the Amended and Restated 2010 Plan; provided that, to the extent determined by the board, no amendment requiring stockholder approval under any applicable legal, regulatory or listing requirement, including amendments with regard to the prohibition on repricing or the minimum vesting provisions, will become effective until such stockholder approval is obtained.

Subject to certain limitations, the board may amend, modify or terminate any outstanding award, including but not limited to, substituting therefor another award of the same or a different type, changing the date of exercise or realization, and converting an incentive stock option to a nonstatutory stock option.

If the stockholders do not approve the amendment to the Amended and Restated 2010 Plan, the Amended and Restated 2010 Plan will remain in effect, however, the number of shares available for issuance under the Amended and Restated 2010 Plan will not be increased by 10,000,000 shares of common stock and the Contingent Option Awards shall automatically terminate and be forfeited. In such event, our board of directors will consider whether to adopt alternative arrangements based on its assessment of our needs.

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Federal Income Tax Consequences

The following is a summary of the United States federal income tax consequences that generally will arise with respect to awards granted under the Amended and Restated 2010 Plan. This summary is based on the federal tax laws in effect as of the date of this proxy statement. In addition, this summary assumes that all awards are exempt from, or comply with, the rules under Section 409A of the Code regarding nonqualified deferred compensation. Changes to these laws could alter the tax consequences described below.

Incentive Stock Options

A participant will not have income upon the grant of an incentive stock option. Also, except as described below, a participant will not have income upon exercise of an incentive stock option if the participant has been employed by us or our corporate parent or 50% or more-owned corporate subsidiary at all times beginning with the option grant date and ending three months before the date the participant exercises the option. If the participant has not been so employed during that time, then the participant will be taxed as described below under Non-statutory Stock Options. The exercise of an incentive stock option may subject the participant to the alternative minimum tax.

A participant will have income upon the sale of the stock acquired under an incentive stock option at a profit (if sales proceeds exceed the exercise price). The type of income will depend on when the participant sells the stock. If a participant sells the stock more than two years after the option was granted and more than one year after the option was exercised, then all of the profit will be long-term capital gain. If a participant sells the stock prior to satisfying these waiting periods, then the participant will have engaged in a disqualifying disposition and a portion of the profit will be ordinary income and a portion may be capital gain. This capital gain will be long-term if the participant has held the stock for more than one year and otherwise will be short-term. If a participant sells the stock at a loss (sales proceeds are less than the exercise price), then the loss will be a capital loss. This capital loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Non-statutory Stock Options

A participant will not have income upon the grant of a non-statutory stock option. A participant will have compensation income upon the exercise of a non-statutory stock option equal to the value of the stock on the day the participant exercised the option less the exercise price. Upon sale of the stock, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the day the option was exercised. This capital gain or loss will be long-term if the participant has held the stock for more than one year and otherwise will be short-term.

Stock Appreciation Rights

A participant will not have income upon the grant of a stock appreciation right. A participant generally will recognize compensation income upon the exercise of an SAR equal to the amount of the cash and the fair market value of any stock received. Upon the sale of the stock, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the day the SAR was exercised. This capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

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Restricted Stock Awards

A participant will not have income upon the grant of restricted stock unless an election under Section 83(b) of the Code is made within 30 days of the date of grant. If a timely 83(b) election is made, then a participant will have compensation income equal to the value of the stock less the purchase price. When the stock is sold, the participant will have capital gain or loss equal to the difference between the sales proceeds and the value of the stock on the date of grant. If the participant does not make an 83(b) election, then when the stock vests the participant will have compensation income equal to the value of the stock on the vesting date less the purchase price. When the stock is sold, the participant will have capital gain or loss equal to the sales proceeds less the value of the stock on the vesting date. Any capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Restricted Stock Units

A participant will not have income upon the grant of a restricted stock unit. A participant is not permitted to make a Section 83(b) election with respect to a restricted stock unit award. When the restricted stock unit vests, the participant will have income on the vesting date in an amount equal to the fair market value of the stock on the vesting date less the purchase price, if any. When the stock is sold, the participant will have capital gain or loss equal to the sales proceeds less the value of the stock on the vesting date. Any capital gain or loss will be long-term if the participant held the stock for more than one year and otherwise will be short-term.

Other Stock-Based Awards

The tax consequences associated with any other stock-based award granted under the Amended and Restated 2010 Plan will vary depending on the specific terms of such award. Among the relevant factors are whether or not the award has a readily ascertainable fair market value, whether or not the award is subject to forfeiture provisions or restrictions on transfer, the nature of the property to be received by the participant under the award and the participant's holding period and tax basis for the award or underlying common stock.

Tax Consequences to Us

There will be no tax consequences to us except that we will be entitled to a deduction when a participant has compensation income. Any such deduction will be subject to the limitations of Section 162(m) of the Code.

Board Recommendation

OUR BOARD OF DIRECTORS BELIEVES THAT THE ADOPTION OF AN AMENDMENT TO THE AMENDED AND RESTATED 2010 STOCK INCENTIVE PLAN IS IN THE BEST INTERESTS OF CURIS AND OUR STOCKHOLDERS AND, THEREFORE, RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL.

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**PROPOSAL 3 RATIFICATION OF THE APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since April 26, 2002. Although stockholder approval of the audit committee's selection of PricewaterhouseCoopers LLP is not required by law, the board and the audit committee believe that it is advisable to give stockholders an opportunity to ratify this selection. If the stockholders do not ratify the selection of PricewaterhouseCoopers LLP, the audit committee will reconsider the matter. A representative of PricewaterhouseCoopers LLP is expected to be present at the meeting to respond to appropriate questions and to make a statement if he or she so desires.

Board Recommendation

OUR BOARD OF DIRECTORS BELIEVES THAT THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS CURIS' INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2015 IS IN THE BEST INTERESTS OF CURIS AND OUR STOCKHOLDERS AND THEREFORE, RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL.

OTHER MATTERS

The board knows of no other business that will be presented for consideration at the meeting other than that described above. However, if any other business should come before the meeting, it is the intention of the persons named in the enclosed proxy card to vote, or otherwise act, in accordance with their best judgment on such matters.

Stockholder Proposals for 2016 Annual Meeting

Any proposal that a stockholder of Curis wishes to be considered for inclusion in our proxy statement and proxy for the 2016 annual meeting of stockholders, including with respect to the nomination of directors, must be submitted to our secretary at our offices, 4 Maguire Road, Lexington, MA 02421, no later than December 17, 2015.

If a stockholder of Curis wishes to present a proposal at the 2016 annual meeting, but does not wish to have the proposal considered for inclusion in our proxy statement and proxy, including with respect to the nomination of directors, such stockholder must also give written notice to our secretary at the address noted above. The secretary must receive such notice not less than 60 days nor more than 90 days prior to the 2016 annual meeting; provided that, in the event that less than 70 days' notice or prior public disclosure of the date of the 2016 annual meeting is given or made, notice by the stockholder must be received not later than the close of business on the 10th day following the date on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever occurs first. The date of our 2016 annual meeting has not yet been established, but assuming it is held on May 25, 2016, in order to comply with the time periods set forth in our by-laws, appropriate notice for the 2016 annual meeting would need to be provided to our secretary no earlier than February 25, 2016, and no later than March 26, 2016. If a stockholder fails to provide timely notice of a proposal to be presented at the 2016 annual meeting, the proxies designated by the board will have discretionary authority to vote on any such proposal.

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Solicitation of Proxies

We will bear the costs of soliciting proxies. In addition to solicitations by mail, our directors, officers and regular employees may, without additional remuneration, solicit proxies by telephone, facsimile and personal interviews. We will also request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy material to those persons for whom they hold shares and request instructions for voting the proxies. We will reimburse such brokerage houses and other persons for their reasonable expenses in connection with this distribution.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Based solely on our review of copies of reports filed by the reporting persons furnished to us, we believe that during the fiscal year ended December 31, 2014, the reporting persons complied with all Section 16(a) filing requirements.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of this proxy statement or our 2014 annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document if you write or call us at the following address or telephone number: 4 Maguire Road, Lexington, MA 02421, Attention: Secretary, (617) 503-6500. If you want separate copies of the proxy statement and 2014 annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address or telephone number.

THE BOARD HOPES THAT STOCKHOLDERS WILL ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, WE URGE YOU TO VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE, OR COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES. PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE MEETING AND YOUR COOPERATION IS APPRECIATED. STOCKHOLDERS WHO ATTEND THE MEETING MAY VOTE THEIR STOCK PERSONALLY EVEN THOUGH THEY HAVE VOTED OVER THE INTERNET, BY TELEPHONE OR SENT IN THEIR PROXY CARDS.

By Order of the Board of Directors,

/s/ Michael P. Gray

Michael P. Gray

Chief Financial Officer

and Chief Business Officer, Secretary

Lexington, Massachusetts

April 15, 2015

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Exhibit A

CURIS, INC.

AMENDED AND RESTATED 2010 STOCK INCENTIVE PLAN

1. **Purpose**

The purpose of this Amended and Restated 2010 Stock Incentive Plan (the **Plan**) of Curis, Inc., a Delaware corporation (the **Company**), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term **Company** shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the **Code**) and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the **Board**).

2. **Eligibility**

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as such terms are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the **Securities Act**), or any successor form) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a **Participant**. **Award** means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7), Other Stock-Based Awards and Cash-Based Awards (each as defined in Section 8).

3. **Administration and Delegation**

(a) **Administration by Board of Directors**. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) **Appointment of Committees**. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a **Committee**). All references in the Plan to the **Board** shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) **Delegation to Officers**. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Options and other Awards that constitute rights under Delaware law (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such

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other powers under the Plan as the Board may determine, *provided* that the Board shall fix the terms of such Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to such Awards that the officers may grant; *provided further*, however, that no officer shall be authorized to grant such Awards to any executive officer of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the *Exchange Act*)) or to any officer of the Company (as defined by Rule 16a-1 under the Exchange Act). The Board may not delegate authority under this Section 3(c) to grant Restricted Stock, unless Delaware law then permits such delegation.

(d) Awards to Non-Employee Directors. Discretionary Awards to non-employee directors may be granted and administered only by the Board or a Committee, all of the members of which are independent directors as defined by Section 5605(a)(2) of the NASDAQ Marketplace Rules (the *Independent Committee*).

4. Stock Available for Awards

(a) Number of Shares: Share Counting.

(1) Authorized Number of Shares. Subject to adjustment under Section 10, Awards may be made under the Plan for up to 9,000,000 shares of common stock, \$0.01 par value per share, of the Company (the *Common Stock*), any or all of which Awards may be in the form of Incentive Stock Options (as defined in Section 5(b)). Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(2) Fungible Share Pool. Subject to adjustment under Section 10, any Award that is not a Full-Value Award shall be counted against the share limit specified in Section 4(a)(1) as one share for each share of Common Stock subject to such Award and any Award that is a Full-Value Award shall be counted against the share limit specified in Section 4(a)(1) as 1.3 shares for each one share of Common Stock subject to such Full-Value Award. *Full-Value Award* means any Award of Restricted Stock, Restricted Stock Unit Award, Other Stock-Based Award or Performance Award with a per share price or per unit purchase price lower than 100% of Fair Market Value (as defined below) on the date of grant. To the extent a share that was subject to an Award that counted as one share is returned to the Plan pursuant to Section 4(a)(3), each applicable share reserve will be credited with one share. To the extent that a share that was subject to an Award that counts as 1.3 shares is returned to the Plan pursuant to Section 4(a)(3), each applicable share reserve will be credited with 1.3 shares.

(3) Share Counting. For purposes of counting the number of shares available for the grant of Awards under the Plan:

(A) all shares of Common Stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; provided, *however*, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Common Stock and provides that only one such Award may be exercised (a *Tandem SAR*), only the shares covered by the Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other's exercise will not restore shares to the Plan;

(B) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase

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right) or (ii) results in any Common Stock not being issued (including as a result of an SAR that was settleable either in cash or in stock actually being settled in cash), the unused Common Stock covered by such Award shall again be available for the grant of Awards; *provided, however*, that (1) in the case of Incentive Stock Options, the foregoing shall be subject to any limitations under the Code, (2) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (3) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR;

(C) shares of Common Stock delivered (either by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Common Stock upon the exercise of an Award or (ii) satisfy tax withholding obligations (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards; and

(D) shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for future grant of Awards.

(b) **Section 162(m) Per-Participant Limit**. Subject to adjustment under Section 10, the maximum number of shares of Common Stock with respect to which Awards may be granted to any Participant under the Plan shall be 1,000,000 per calendar year. For purposes of the foregoing limit, (i) the combination of an Option in tandem with an SAR shall be treated as a single Award and (ii) each share of Common Stock subject to an Award (including each share of Common Stock subject to a Full-Value Award) shall be treated as one share. The per Participant limit described in this Section 4(b) shall be construed and applied consistently with Section 162(m) of the Code or any successor provision thereto, and the regulations thereunder (***Section 162(m)***).

(c) **Substitute Awards**. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a)(1) or any sublimits contained in the Plan, except as may be required by reason of Section 422 and related provisions of the Code.

5. **Stock Options**

(a) **General**. The Board may grant options to purchase Common Stock (each, an ***Option***) and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) **Incentive Stock Options**. An Option that the Board intends to be an incentive stock option as defined in Section 422 of the Code (an ***Incentive Stock Option***) shall only be granted to employees of Curis, Inc., any of Curis, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a ***Nonstatutory Stock Option***.

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The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) **Exercise Price.** The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the Fair Market Value (as defined below) per share of Common Stock on the date the Option is granted; *provided* that if the Board approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Fair Market Value on such future date. ***Fair Market Value*** of a share of Common Stock for purposes of the Plan will be determined as follows:

- (1) if the Common Stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant; or
- (2) if the Common Stock does not trade on any such exchange, the average of the closing bid and asked prices as reported by an authorized OTCBB market data vendor as listed on the OTCBB website (otcbb.com) on the date of grant; or
- (3) if the Common Stock is not publicly traded, the Board will determine the Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner consistent with the valuation principles under Code Section 409A, except as the Board may expressly determine otherwise.

For any date that is not a trading day, the Fair Market Value of a share of Common Stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board can substitute a particular time of day or other measure of closing sale price or bid and asked prices if appropriate because of exchange or market procedures or can, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Code Section 409A.

The Board has sole discretion to determine the Fair Market Value for purposes of the Plan, and all Awards are conditioned on the participants agreement that the Administrator's determination is conclusive and binding even though others might make a different determination.

(d) **Duration of Options.** Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided, however*, that no Option will be granted with a term in excess of 10 years.

(e) **Exercise of Options.** Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) **Payment Upon Exercise.** Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

- (1) in cash or by check, payable to the order of the Company;

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(2) except as may otherwise be provided in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of net exercise to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the Fair Market Value on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

(g) Limitation on Repricing. Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(c)) covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share below the then-current Fair Market Value, other than pursuant to Section 10, or (4) take any other action under the Plan that constitutes a repricing within the meaning of the rules of the NASDAQ Stock Market (*NASDAQ*).

(h) Minimum Vesting. Other than with respect to Options granted to non-employee directors, no Option that vests solely based on the passage of time shall vest earlier than the first anniversary of its date of grant, unless the Option is granted in lieu of salary, bonus or other compensation otherwise earned by or payable to the Participant. Notwithstanding the foregoing, the Board, either at the time the Option is granted or at any time thereafter, may allow an Option to accelerate and become vested, in whole or in part, prior to the first anniversary of its date of grant, in the event of the death or disability of the Participant; the termination of the Participant's employment by or service to the Company under specified circumstances; or a merger, consolidation, sale, reorganization, recapitalization, or change in control of the Company.

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6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights (**SARs**) entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted; *provided* that if the Board approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

(e) Limitation on Repricing. Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 10): (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR, (2) cancel any outstanding SAR (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(c)) covering the same or a different number of shares of Common Stock and having an exercise or measurement price per share lower than the then-current measurement price per share of the cancelled SAR, (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share below the then-current Fair Market Value, other than pursuant to Section 10, or (4) take any other action under the Plan that constitutes a repricing within the meaning of the rules of the NASDAQ.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock (**Restricted Stock**), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests (**Restricted Stock Units**) (Restricted Stock and Restricted Stock Units are each referred to herein as a **Restricted Stock Award**).

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

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(1) **Dividends**. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock (*Accrued Dividends*) shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) **Stock Certificates**. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. *Designated Beneficiary* means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, the Participant's estate.

(d) **Additional Provisions Relating to Restricted Stock Units**.

(1) **Settlement**. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Common Stock. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) **Voting Rights**. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) **Dividend Equivalents**. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock (*Dividend Equivalents*). Dividend Equivalents may be settled in cash and/or shares of Common Stock. Any Dividend Equivalents must be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which such Dividend Equivalents are awarded.

8. **Other Stock-Based Awards**

(a) **General**. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants (*Other Stock-Based Awards*). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine. The Company may also grant Performance Awards or other Awards denominated in cash rather than shares of Common Stock (*Cash-Based Awards*).

(b) **Terms and Conditions**. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award or Cash-Based Award, including any purchase price applicable

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thereto. Any Dividend Equivalents with respect to Other Stock-Based Awards or Cash-Based Awards must be subject to the same restrictions on transfer and forfeitability as the Awards with respect to which such Dividend Equivalents are awarded.

9. Performance Awards.

(a) Grants. Restricted Stock Awards and Other Stock-Based Awards under the Plan may be made subject to the achievement of performance goals pursuant to this Section 9(a) (***Performance Awards***). Subject to Section 9(d), no Performance Awards shall vest prior to the first anniversary of the date of grant. Performance Awards can also provide for cash payments of up to \$1.0 million per calendar year per individual.

(b) Committee. Grants of Performance Awards to any Covered Employee (as defined below) intended to qualify as performance-based compensation under Section 162(m) (***Performance-Based Compensation***) shall be made only by a Committee (or a subcommittee of a Committee) comprised solely of two or more directors eligible to serve on a committee making Awards qualifying as performance-based compensation under Section 162(m). In the case of such Awards granted to Covered Employees, references to the Board or to a Committee shall be treated as referring to such Committee (or subcommittee). ***Covered Employee*** shall mean any person who is, or whom the Committee, in its discretion, determines may be, a covered employee under Section 162(m)(3) of the Code.

(c) Performance Measures. For any Award that is intended to qualify as Performance-Based Compensation, the Committee shall specify that the degree of granting, vesting and/or payout shall be subject to the achievement of one or more objective performance measures established by the Committee, which shall be based on the relative or absolute attainment of any combination of the following: (i) the entry into an arrangement or agreement with a third party for the development, commercialization, marketing or distribution of products, services or technologies, or for conducting a research program to discover and develop a product, service or technology, and/or the achievement of milestones under such arrangement or agreement, including events that trigger an obligation or payment right; (ii) achievement of domestic and international regulatory milestones, including the submission of filings required to advance products, services and technologies in clinical development and the achievement of approvals by regulatory authorities relating to the commercialization of products, services and technologies; (iii) the achievement of discovery, preclinical and clinical stage scientific objectives, discoveries or inventions for products, services and technologies under research and development; (iv) the entry into or completion of a phase of clinical development for any product, service or technology, such as the entry into or completion of phase 1, 2 and/or 3 clinical trials; (v) the consummation of debt or equity financing transactions, or acquisitions of business, technologies and assets; (vi) new product or service releases; (vii) the achievement of qualitative or quantitative performance measures set forth in operating plans approved by the Board from time to time; and/or (viii) specified levels of product sales, net income, earnings before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit before or after discontinued operations and/or taxes, sales, sales growth, earnings growth, cash flow or cash position, gross margins, stock price, market share, return on sales, assets, equity or investment, improvement of financial ratings and (ix) achievement of balance sheet or income statement objectives or total stockholder return. Such goals may reflect absolute entity or business unit performance or a relative comparison to the performance of a peer group of entities or other external measure of the selected performance criteria and may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated. The Committee may specify that such performance measures shall be adjusted to exclude any one or more of (i) extraordinary items, (ii) gains or losses on the dispositions of discontinued operations, (iii) the cumulative

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effects of changes in accounting principles, (iv) the writedown of any asset, and (v) charges for restructuring and rationalization programs. Such performance measures: (i) may vary by Participant and may be different for different Awards; (ii) may be particular to a Participant or the department, branch, line of business, subsidiary or other unit in which the Participant works and may cover such period as may be specified by the Committee; and (iii) shall be set by the Committee within the time period prescribed by, and shall otherwise comply with the requirements of, Section 162(m). Awards that are not intended to qualify as Performance-Based Compensation may be based on these or such other performance measures as the Board may determine.

(d) Adjustments. Notwithstanding any provision of the Plan, with respect to any Performance Award that is intended to qualify as Performance-Based Compensation, the Committee may adjust downwards, but not upwards, the cash or number of shares payable pursuant to such Award, and the Committee may not waive the achievement of the applicable performance measures except in the case of the death or disability of the Participant or a change in control of the Company.

(e) Other. The Committee shall have the power to impose such other restrictions on Performance Awards as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for Performance-Based Compensation. Any Dividends and/ or Dividend Equivalents with respect to Performance Awards must be subject to the same restrictions on transfer and forfeitability as the Awards with respect to which such Dividends and/or Dividend Equivalents are awarded.

10. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules and sublimits set forth in Sections 4(a) and 4(b), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A **Reorganization Event** shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

Table of Contents**(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.**

(A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the *Acquisition Price*), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 10(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 10(b)(2)(A), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a change in control event within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a change in control event, then no assumption or substitution shall be permitted pursuant to Section 10(b)(2)(A)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 10(b)(2)(A) if the Reorganization Event constitutes a change in control event as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a change in control event as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 10(b)(2)(A), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 10(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were

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offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided, however*, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

(c) Change in Control Events.

(1) Definitions.

(A) A ***Change in Control Event*** shall mean:

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a ***Person***) of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 under the Exchange Act) 50% or more of either (x) the then-outstanding shares of common stock of the Company (the ***Outstanding Company Common Stock***) or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the ***Outstanding Company Voting Securities***); *provided, however*, that for purposes of this subsection (A), the following acquisitions shall not constitute a Change in Control Event: (1) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company)], (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (3) any acquisition by any corporation pursuant to a Business Combination (as defined below) which complies with clauses (x) and (y) of subsection (iii) of this definition; or

(ii) a change in the composition of the Board that results in the Continuing Directors (as defined below) no longer constituting a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term ***Continuing Director*** means at any date a member of

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the Board (x) who was a member of the Board on the date of the initial adoption of the Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; *provided, however*, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a ***Business Combination***), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the ***Acquiring Corporation***) in substantially the same proportions as their ownership of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, immediately prior to such Business Combination and (y) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 50% or more of the then-outstanding shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iv) the liquidation or dissolution of the Company.

(B) ***Good Reason*** shall mean any significant diminution in the Participant's duties, authority, or responsibilities from and after such Reorganization Event or Change in Control Event, as the case may be, or any material reduction in the base compensation payable to the Participant from and after such Reorganization Event or Change in Control Event, as the case may be, or the relocation of the place of business at which the Participant is principally located to a location that is greater than 50 miles from its location immediately prior to such Reorganization Event or Change in Control Event. Notwithstanding the occurrence of any such event or circumstance, such occurrence shall not be deemed to constitute Good Reason unless (x) the Participant gives the Company the notice of termination no more than 90 days after the initial existence of such event or circumstance, (y) such event or circumstance has not been fully corrected and the Participant has not been reasonably compensated for any losses or damages resulting therefrom within 30 days of the Company's receipt of such notice and (z) the Participant's termination of employment occurs within six months following the Company's receipt of such notice.

(C) ***Cause*** shall mean any (i) willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company or (ii) willful misconduct by the Participant which affects the business reputation of the Company.

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(2) **Effect on Options.** Notwithstanding the provisions of Section 10(b), effective immediately prior to a Change in Control Event, except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company, the vesting schedule of such Option shall be accelerated in part so that one-half of the number of shares that would otherwise have first become vested on any date after the date of the Change in Control Event shall immediately become exercisable. The remaining one-half of such number of shares shall continue to become vested in accordance with the original vesting schedule set forth in such Option, with one-half of the number of shares that would otherwise have become vested on each subsequent vesting date in accordance with the original schedule becoming vested on each such subsequent vesting date; *provided, however*, that each such Option shall be immediately exercisable in full if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the Acquiring Corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the Acquiring Corporation.

(3) **Effect on Restricted Stock Awards.** Notwithstanding the provisions of Section 10(b), effective immediately prior to a Change in Control Event, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, the vesting schedule of all Restricted Stock Awards shall be accelerated in part so that one-half of the number of shares that would otherwise have first become free from conditions or restrictions on any date after the date of the Change in Control Event shall immediately become free from conditions or restrictions. Subject to the following sentence, the remaining one-half of such number of shares shall continue to become free from conditions or restrictions in accordance with the original schedule set forth in such Restricted Stock Award, with one-half of the number of shares that would otherwise have become free from conditions or restrictions on each subsequent vesting date in accordance with the original schedule becoming free from conditions or restrictions on each subsequent vesting date. In addition, each such Restricted Stock Award shall immediately become free from all conditions or restrictions if, on or prior to the first anniversary of the date of the consummation of the Change in Control Event, the Participant's employment with the Company or the Acquiring Corporation is terminated for Good Reason by the Participant or is terminated without Cause by the Company or the Acquiring Corporation.

(4) **Effect on SARs and Other Stock-Based Awards.** The Board may specify in an Award at the time of the grant the effect of a Change in Control Event on any SAR and Other Stock-Based Award.

(5) **Section 409A.** The definition of Change in Control Event for purposes of the Plan is intended to conform to the description of Change in Control Events in Treasury Regulation section 1.409A-3(i)(5), or in subsequent IRS guidance describing what constitutes a change in control event for purposes of Section 409A of the Code when the Award is subject to Section 409A. Accordingly, no Change in Control Event will be deemed to provide for acceleration of payment with respect to a transaction or event described in this Section 10(c) unless the transaction or event would constitute a Change in Control Event as described in Treasury Regulation section 1.409A-3(i)(5), or in subsequent IRS guidance under Section 409A of the Code. If the transaction or event described in this Section 10(c) would not constitute a Change in Control Event as described in Treasury Regulation section 1.409A-3(i)(5), or in subsequent IRS guidance under Section 409A of the Code, then, in connection with such transaction or event, Awards that are subject to Section 409A will be treated as provided under Section 10(b).

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11. **General Provisions Applicable to Awards**

(a) **Transferability of Awards.** Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however*, that the Board may permit or provide in an Award for the gratuitous (i.e., not for value) transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Common Stock subject to such Award to such proposed transferee; *provided further*, that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 11(a) shall be deemed to restrict a transfer to the Company.

(b) **Documentation.** Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) **Board Discretion.** Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) **Termination of Status.** The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) **Withholding.** The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however*, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

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(f) Amendment of Award. Except as otherwise provided in Sections 5(g) and 6(e) with respect to repricings or Sections 5(h) and 9(a) with respect to the vesting of Awards, the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 10.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. Except as otherwise provided in Sections 5(h) or 9(a), the Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

12. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date the Plan is approved by the Company's stockholders (the *Effective Date*). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time provided that (i) to the extent required by Section 162(m), no Award granted to a Participant that is intended to comply with Section 162(m) after the date of such amendment shall become exercisable, realizable or vested, as applicable to such Award, unless and until the Company's stockholders approve such amendment in the manner required by Section 162(m); (ii) no amendment that would require stockholder approval under the rules of the NASDAQ may be made effective unless and until the Company's stockholders approve such amendment; and (iii) if the NASDAQ amends its corporate governance rules so that such rules no longer require stockholder approval of material amendments to equity compensation plans,

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then, from and after the effective date of such amendment to the NASDAQ rules, no amendment to the Plan (A) materially increasing the number of shares authorized under the Plan (other than pursuant to Section 4(c) or 10), (B) expanding the types of Awards that may be granted under the Plan, or (C) materially expanding the class of participants eligible to participate in the Plan shall be effective unless and until the Company's stockholders approve such amendment. In addition, if at any time the approval of the Company's stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 12(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan. No Award shall be made that is conditioned upon stockholder approval of any amendment to the Plan unless the Award provides that (1) it will terminate or be forfeited if stockholder approval of such amendment is not obtained within no more than 12 months from the date of grant and (2) it may not be exercised or settled (or otherwise result in the issuance of Common Stock) prior to such stockholder approval.

(e) Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent any portion of any payment, compensation or other benefit provided to a Participant in connection with his or her employment termination is determined to constitute nonqualified deferred compensation within the meaning of Section 409A of the Code and the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, as determined by the Company in accordance with its procedures, by which determination the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of separation from service (as determined under Section 409A of the Code) (the ***New Payment Date***), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse,

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beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

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**AMENDMENT NO. 1 TO
AMENDED AND RESTATED
2010 STOCK INCENTIVE PLAN
OF
CURIS, INC.**

The Amended and Restated 2010 Stock Incentive Plan, as amended (the Plan) of Curis, Inc. is hereby further amended as follows:

1. Section 4(a)(1) of the Plan is hereby deleted and a new Section 4(a)(1) is inserted in lieu thereof which shall read as follows:

(1). Authorized Number of Shares. Subject to adjustment under Section 10, Awards may be made under the Plan for up to 19,000,000 shares of common stock, \$0.01 par value per share, of the Company (the **Common Stock**), any or all of which Awards may be in the form of Incentive Stock Options (as defined in Section 5(b)). Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

Except as set forth above, the remainder of the Plan remains in full force and effect.

Adopted by the Board of Directors on March 19, 2015.

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VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 26, 2015. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 26, 2015. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M89686-P60382

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY
WHEN SIGNED AND DATED.**

CURIS, INC.	For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
The Board of Directors recommends you vote FOR the following:	

1. Election of Directors

Nominees

- 01) Kenneth J. Pienta
- 02) James R. McNab, Jr.
- 03) James R. Tobin

The Board of Directors recommends you vote FOR proposals 2 and 3.

For Against Abstain

- | | | | |
|--|----|----|----|
| 2. To approve an amendment to the Amended and Restated 2010 Stock Incentive Plan. | .. | .. | .. |
| 3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the current fiscal year. | .. | .. | .. |

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

For address changes and/or comments, please check this box and write them on the back where indicated.

..

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners

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should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Signature (Joint Owner) Date

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CURIS, INC.

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS

To be held May 27, 2015

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY AND
SHOULD BE RETURNED AS SOON AS POSSIBLE**

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement, Annual Report and Form 10-K are available at www.proxyvote.com.

M89687-P60382

CURIS, INC.

Annual Meeting of Stockholders

May 27, 2015, 10:00 AM

This proxy is solicited by the Board of Directors

The undersigned, having received notice of the Annual Meeting of Stockholders and the Board of Directors proxy statement therefore, and revoking all prior proxies, hereby appoint(s) Ali Fattaey and Michael P. Gray, and each of them, attorneys or attorney of the undersigned (with full power of substitution in them and each of them) for and in the name(s) of the undersigned to attend the Annual Meeting of Stockholders of Curis, Inc. (the Company) to be held on Wednesday, May 27, 2015, at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, and any adjournments thereof, and there to vote and act upon the following matters proposed by the Company in respect of all shares of stock of the Company which the undersigned may be entitled to vote or act upon, with all the powers the undersigned would possess if personally present. None of the following proposals is conditioned upon the approval of any other proposal. In their discretion, the proxy holders are authorized to vote upon such other matters as may properly come before the meeting or any adjournments thereof. The shares represented by this proxy will be voted as directed by the undersigned. If no direction is given with respect to any election to office or proposal, this proxy will be voted as recommended by the Board of Directors. Attendance of the undersigned at the meeting or at any adjournment thereof will not be deemed to revoke this proxy unless the undersigned shall revoke this proxy in writing. **WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, YOU**

ARE URGED TO COMPLETE, DATE AND SIGN THIS PROXY AND RETURN IT IN THE ACCOMPANYING ENVELOPE. A VOTE FOR EACH OF THE DIRECTOR NOMINEES AND A VOTE FOR PROPOSALS 2 AND 3 ARE RECOMMENDED BY THE BOARD OF DIRECTORS. IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING AND ANY ADJOURNMENT THEREOF.

Address Changes/Comments: _____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side