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SIGA TECHNOLOGIES INC  
Form DEF 14A  
April 27, 2012

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

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SIGA Technologies, Inc.  
(Name of Registrant as Specified In Its Charter)

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**SIGA Technologies, Inc.**  
**35 East 62<sup>nd</sup> Street**  
**New York, New York 10065**  
(212) 672-9100

April 27, 2012

Dear Stockholder:

You are cordially invited to attend our 2012 Annual Meeting of Stockholders on May 23, 2012, at 10:00 a.m. (local time), at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29<sup>th</sup> Floor, New York, New York 10036. On the following pages you will find the formal notice of the annual meeting and proxy statement.

To ensure that you are represented at the Annual Meeting, whether or not you plan to attend the meeting in person, please read carefully the accompanying proxy statement, which describes the matters to be voted upon, and please complete, date, sign and return the enclosed proxy card promptly.

I hope that you will attend the meeting and I look forward to seeing you there.

Sincerely,

Eric A. Rose, M.D.  
Chief Executive Officer  
and Chairman of the Board

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**SIGA Technologies, Inc.**  
**35 East 62<sup>nd</sup> Street**  
**New York, New York 10065**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 23, 2012**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting ) of SIGA Technologies, Inc. ( SIGA ), a Delaware corporation, will be held on Wednesday, May 23, 2012, at 10:00 a.m. (local time), at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29<sup>th</sup> Floor, New York, New York 10036, and at any adjournment.

At the Annual Meeting, SIGA s stockholders will be voting on proposals to do the following:

1. To elect eleven directors to the Board of Directors of SIGA;
2. To approve an amendment to the SIGA 2010 Stock Incentive Plan (as amended and restated, effective April 25, 2012) (the 2010 Plan ) to increase the maximum number of shares of common stock available for issuance under the 2010 Plan from 2,000,000 to 4,500,000;
3. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2012; and
4. To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.

Stockholders of record at the close of business on March 30, 2012 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. A list of such stockholders will be available at the Annual Meeting and for any purpose properly related to the Annual Meeting, during the ten days prior to the Annual Meeting, at SIGA s office, during ordinary business hours.

All stockholders are cordially invited to attend the Annual Meeting. If you do not expect to be present at the Annual Meeting, you are requested to fill in, date and sign the enclosed proxy and mail it promptly in the enclosed envelope to make sure that your shares are represented at the Annual Meeting. In the event you decide to attend the Annual Meeting in person, you may, if you desire, revoke your proxy and vote your shares in person.

Directions to the offices of Kramer Levin Naftalis & Frankel LLP are included on the outside back cover of the Proxy Statement for the Annual Meeting.

**YOUR VOTE IS IMPORTANT.**

**IF YOU ARE UNABLE TO BE PRESENT PERSONALLY, PLEASE MARK, SIGN AND DATE THE  
ENCLOSED PROXY, WHICH IS BEING SOLICITED BY THE BOARD OF DIRECTORS, AND RETURN  
IT PROMPTLY IN THE ENCLOSED ENVELOPE.**

By Order of the Board of Directors,

Daniel J. Luckshire  
Secretary

New York, New York  
April 27, 2012

**Important Notice Regarding the Availability of Proxy Materials  
for the Annual Meeting of Stockholders to be Held on May 23, 2012.**

**The Proxy Statement and 2011 Annual Report on Form 10-K are available in the Investor Relations section of our website at [www.siga.com](http://www.siga.com)**

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**SIGA Technologies, Inc.**  
**35 East 62<sup>nd</sup> Street**  
**New York, New York 10065**  
**(212) 672-9100**

**PROXY STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS**  
**MAY 23, 2012**

This proxy statement is furnished to stockholders of SIGA Technologies, Inc. ( SIGA , the Company or we ) in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of SIGA (the Board of Directors ) for use in voting at the Annual Meeting of Stockholders (the Annual Meeting ) to be held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, 29th Floor, New York, New York 10036, on Wednesday, May 23, 2012, at 10:00 a.m. (local time), and at any adjournment or postponement thereof.

This proxy statement and the accompanying form of proxy are first being mailed to stockholders on or about April 27, 2012.

**VOTING RIGHTS AND SOLICITATION OF PROXIES**

**Purpose of the Annual Meeting**

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this proxy statement.

**Record Date and Outstanding Shares**

The Board of Directors has fixed the close of business on March 30, 2012 as the record date (the Record Date ) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting or any and all adjournments or postponements thereof. As of the Record Date, SIGA had issued and outstanding 51,638,352 shares of common stock, par value \$.0001 per share ( Common Stock ).

**Voting at the Annual Meeting**

Each share of Common Stock outstanding on the Record Date will be entitled to one vote on each matter submitted to a vote of the stockholders. Cumulative voting by stockholders is not permitted.

The presence, in person or by proxy, of the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote at the Annual Meeting is necessary to constitute a quorum. Abstentions will be counted as shares present for purposes of determining the presence of a quorum on all matters. Brokers holding shares for beneficial owners in street name must vote those shares according to specific instructions they receive from the owners of such shares. If instructions are not received, brokers may vote the shares, in their discretion, depending on the type of proposals involved. Broker non-votes result when brokers are precluded from exercising their discretion on certain types of proposals. Brokers have discretionary authority to vote under the rules governing brokers to vote without instructions from the beneficial owner on certain routine items, such as the ratification of the appointment of the independent registered public accounting firm (Proposal No. 3) and, accordingly, your shares may be voted by your broker on Proposal No. 3. However, brokers do not have discretionary authority to vote on the other proposals included herein. Shares that are voted by brokers on some but not all of the matters will be treated as shares present for purposes of determining the presence of a quorum on all matters, but will not be treated as shares entitled to vote at the Annual Meeting on those matters as to which authority to vote is withheld by the broker.

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For the election of directors, a plurality of the votes cast is required. Abstentions and broker non-votes are not considered to have been voted for the purpose of the election of directors.

For the approval of the amendment to the 2010 Plan and for the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2012, the affirmative vote of a majority of the total votes cast on such proposal in person or by proxy at the Annual Meeting is required. Abstentions and broker non-votes are not considered to have been voted on this proposal. Brokers and other nominees continue to have discretionary voting power to vote without instructions from the beneficial owner on the ratification of the appointment of the independent auditor and, accordingly, your shares may be voted by your broker on this proposal.

### **Dissenters Rights**

Proposals 1, 2 and 3 do not give rise to any statutory right of a stockholder to dissent and obtain the appraisal of or payment for such stockholder's shares.

### **Revocability and Voting of Proxies**

Any person signing a proxy in the form accompanying this proxy statement has the power to revoke it prior to the Annual Meeting or at the Annual Meeting prior to the vote pursuant to the proxy. A proxy may be revoked by any of the following methods:

1. writing a letter delivered to Daniel J. Luckshire, Secretary of SIGA, stating that the proxy is revoked;
2. submitting another proxy with a later date; or
3. attending the Annual Meeting and voting in person.

Please note, however, that if a stockholder's shares are held of record by a broker, bank or other nominee and that stockholder wishes to vote at the Annual Meeting, the stockholder must bring to the Annual Meeting a letter from the broker, bank or other nominee confirming that stockholder's beneficial ownership of the shares.

Unless we receive specific instructions to the contrary or unless such proxy is revoked, shares represented by each properly executed proxy will be voted: (i) FOR the election of each of SIGA's nominees as a director; (ii) FOR the approval of the amendment to the 2010 Plan to increase the maximum number of shares of Common Stock available for issuance under the 2010 Plan from 2,000,000 shares to 4,500,000 shares; (iii) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of SIGA for the fiscal year ending December 31, 2012; and (iv) with respect to any other matters that may properly come before the Annual Meeting, at the discretion of the proxy holders. SIGA does not presently anticipate that any other business will be presented for action at the Annual Meeting.

### **Solicitation**

SIGA will pay the costs of soliciting proxies. SIGA may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to beneficial owners. Directors, officers and regular employees may also solicit proxies by telephone, facsimile or other means or in person. They will not receive any additional payments for the solicitation.

**PROPOSAL No. 1****ELECTION OF DIRECTORS**

Eleven directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of Stockholders and until their successors have been duly elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR the election of the eleven persons named in the table below as directors of SIGA. Proxies cannot be voted for a greater number of persons than the nominees named. In the event that any of the below listed nominees for director should become unavailable for election for any presently unforeseen reason, the persons named in the accompanying proxy form have the right to use their discretion to vote for a substitute.

**THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF DR. ROSE, MR. ANTAL, MR. BAYER, MR. BEVINS, MR. CONSTANCE, MR. MARSHALL, MR. SAVAS, MR. SLOVIN, MR. STERN, MS. TOWNSEND AND DR. WEINER AS DIRECTORS (ITEM 1 OF THE ENCLOSED PROXY CARD).**

**Director Nominee Information**

The following table sets forth biographical information of each director nominee, including their ages, data on their business backgrounds and the names of public companies and other selected entities for which they also serve as directors:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Eric A. Rose, M.D.	61	Chairman of the Board and Chief Executive Officer
James J. Antal*	61	Director
Michael J. Bayer*	64	Director
William C. Bevins*	65	Director
Thomas E. Constance*	75	Director
Joseph W. Marshall, III*	59	Director
Paul G. Savas*	49	Director
Bruce Slovin*	76	Director
Andrew Stern*	61	Director
Frances Fragos Townsend*	50	Director
Michael A. Weiner, M.D.*	65	Director

\* Determined by the Board of Directors to be independent pursuant to Rule 5605 of the NASDAQ Marketplace Rules.

Eric A. Rose, M.D. was elected Chairman of the Board of Directors on January 25, 2007, and, on March 1, 2007, became the Company's Chief Executive Officer. Dr. Rose has served as a director of SIGA since April 19, 2001 and served as Interim Chief Executive Officer of SIGA during April-June 2001. In April 2008, Dr. Rose assumed the chairmanship of the Department of Health Policy at Mount Sinai School of Medicine. From 1994 through 2007, Dr. Rose served as Chairman of the Department of Surgery and Surgeon-in-Chief of the Columbia Presbyterian Center of New York Presbyterian Hospital. Dr. Rose is a former director of Abiomed, Inc., PharmaCore, Inc., TransTech Pharma, Inc., Nephros, Inc., Keryx Biopharmaceuticals, Inc. and Nexell Therapeutics Inc. Dr. Rose is a graduate of both Columbia College and Columbia University College of Physicians & Surgeons. In addition to his roles at SIGA, Dr. Rose holds a position as Executive Vice President Life Sciences at MacAndrews & Forbes Holdings Inc. ( MacAndrews Holdings ), an affiliate of a SIGA shareholder. Dr. Rose's experience and training as a practicing physician and a nationally recognized cardiothoracic surgeon enables him to bring valuable insight to the Board of Directors, including through his understanding of the scientific aspects of our business and the ability to assist in prioritizing opportunities for drug development. In addition, Dr. Rose managed a large research portfolio and an extensive research and education budget at the Columbia Presbyterian Center, giving him a critical perspective on drug discovery and development and the issues facing pharmaceutical and biotechnology companies.

James J. Antal has served as a director of SIGA since November 2004. Mr. Antal has been an active consultant and founding investor in several Southern California based emerging companies since his retirement from Experian in 2002. He has served as Chief Financial Advisor to Black Mountain Gold Coffee Co. (2003-2005), and as Chief Financial Officer of Pathway Data, Inc. (2005 to 2009). Mr. Antal joined the board of directors and serves as the chairman of the audit committee for Cleveland Bio Labs, effective upon the completion of its initial public offering in July 2006. Mr. Antal was the Chief Financial Officer and Chief Investment Officer from 1996 to 2002 for Experian, a \$1.6 billion global information services subsidiary of UK-based GUS plc. Prior to the GUS acquisition of Experian (the former TRW Inc. Information Systems and



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Services businesses), Mr. Antal held various finance positions with TRW from 1978 to 1996, including Senior Vice President of Finance for TRW Information Systems and Services and TRW Inc. and Corporate Director of Financial Reporting and Accounting. He earned his undergraduate degree in accounting from The Ohio State University in 1973, and became a certified public accountant (Ohio) in 1974. He engaged in active practice as a CPA with Ernst & Ernst until 1978. Mr. Antal has served as a director of First American Real Estate Solutions, an Experian joint venture with First American Financial Corp. Mr. Antal has many years of valuable business, leadership and management experience that provides him with insight into many aspects of SIGA's business, including an understanding of corporate finance, financial statements, accounting matters and capital markets. Mr. Antal also brings financial experience to the Board of Directors through his 32-year career as an entrepreneur, his various financial positions at other public companies and through his service as chairman of the audit committee for Cleveland Bio Labs.

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Michael J. Bayer has served as a director of SIGA since October 2008. Mr. Bayer has been a private consultant in the energy and national security sectors since 1992. Mr. Bayer is the President and Chief Executive Officer of Dumbarton Strategies LLC, an energy and national security consulting firm. He is the former Chairman of the U.S. Department of Defense's Business Board and serves as a member of the Sandia National Laboratory's National Security Advisory Panel, the U.S. Department of Defense's Science Board and the Chief of Naval Operations Executive Panel. Mr. Bayer is a former director of Willbros Group, Inc., Dyncorp International, Stratos Global Corporation, Duratek, Inc. and Athena Inc. Mr. Bayer brings many years of experience in the defense industry to the Board of Directors, which positions him to provide oversight for our Company in a highly regulated industry and to provide guidance in government relations, particularly with the Department of Defense and other government agencies. Mr. Bayer also brings substantial corporate governance and compliance oversight expertise through his previous service on the audit committee and nominating and corporate governance committee of Dyncorp International and through his prior service as the chair of the governance and nominating committee of Willbros Group.

William C. Bevins has served as a director of SIGA since March 2011. Mr. Bevins was President and Chief Executive Officer of Panavision Inc. from June 2009 to June 2011 and has been Senior Executive Vice President of MacAndrews Holdings since December 2010. Mr. Bevins was a consultant to MacAndrews Holdings from 1997 to 2000. He served as President and Chief Executive Officer, as well as a director, of Andrews Group Incorporated, an entertainment media holding company, from 1988 until his retirement in 1997, and of its two publicly traded operating subsidiaries, New World Communications Group Incorporated (from 1993 to 1997) and Marvel Entertainment Group, Inc. (from 1989 to 1996). From 1979 to 1988, he was Chief Financial Officer of Turner Broadcasting System, Inc., a media and entertainment company. During the past five years, Mr. Bevins also served as director of M & F Worldwide Corp. Mr. Bevins's long career in various management and financial positions provides the Board of Directors with valuable business, leadership and management insights into many aspects of our business.

Thomas E. Constance has served as a director of SIGA since April 2001. Mr. Constance is Chairman and, since 1994, a partner of Kramer Levin Naftalis & Frankel LLP, a law firm in New York City, which SIGA has retained to provide certain legal services. Mr. Constance serves as a director of Bond Street Holdings, Inc. and as a Trustee of the M.D. Sass Foundation and St. Vincent's Services. He also serves on the Advisory Board of Directors of Barington Capital, L.P. As a practicing attorney, Mr. Constance brings to the Board of Directors many years of experience counseling public companies with respect to governance and other legal matters.

Joseph W. Chip Marshall, III has served as a director of SIGA since early 2009. Mr. Marshall is the former President and Chief Executive Officer of Temple University Health System (2001-2008). In 2000, he became Chair of Temple University Health System and served in that capacity until 2007. Prior to 2000, Marshall was a founding partner at Goldman & Marshall P.C., Philadelphia, PA, a corporate healthcare law firm. He received his B.A. and J.D. degrees (1975 and 1979, respectively) from Temple University. In 1990, he joined the Temple University Board of Trustees. He was a founding member of the Temple University Health System Board of Directors in 1995. He served on the Pennsylvania State Ethics Commission in the 1980s and early 1990s, including as Chairman for a portion of that period. During 2005-2006, he served as a Member of the Federal Medicaid Commission. Additionally, during 2004-2006, he served as a Member of the Pennsylvania Gaming Control Board. Mr. Marshall has more than 30 years of experience in healthcare and is a prominent and highly regarded figure in the healthcare and higher education sectors. His excellent leadership, visibility and expertise in healthcare are of considerable value to the Board of Directors.

Paul G. Savas has served as a director of SIGA since January 2004. Mr. Savas is Executive Vice President and Chief Financial Officer at MacAndrews Holdings. He joined MacAndrews Holdings in 1994 as Director of Corporate Finance, served in various positions of increasing responsibility and became Chief Financial Officer in 2007. He also serves as Executive Vice President and Chief Financial Officer of M & F Worldwide Corp. and serves as a director of Harland Clarke Holding Corp. and TransTech Pharma, Inc. During the past six years, Mr. Savas also served as a member of the board of managers of REV Holdings LLC. Mr. Savas provides our Board valuable business, leadership and management insights with respect to our strategic operational and financial direction. Mr. Savas' strong financial background, including his work at MacAndrews Holdings and his service on other boards, also provides financial expertise to the Board of Directors, including an understanding of financial statements, corporate finance, accounting and capital markets.

Bruce Slovin has served as a director of SIGA since October 2008. Mr. Slovin has been the President of 1 Eleven Associates, LLC, a private investment firm, for over five years. From 1980 to 2000, Mr. Slovin was an executive officer of MacAndrews Holdings and several of its affiliates. Mr. Slovin is a director of Cantel Industries and a former director of M & F Worldwide Corp. As a result of Mr. Slovin's long career in various operating and financial positions, he provides the Board of Directors with valuable business, leadership and management insights into many aspects of our business.

Andrew L. Stern has served as a director of SIGA since June 2010. Mr. Stern was formerly the president of Service Employees International Union (SEIU), the second largest union in the United States and Canada and was elected to that role in 1996. Mr. Stern currently holds an appointment as the Alice B. Grant Labor Leader in Residence at the Cornell University School of Industrial and Labor Relations. He is a board member of the Broad Foundation, the Open Society Institute, the Economic Policy Institute, a lifetime Trustee of the Aspen Institute, the President of the Kaiser Permanente Partnership and SEIU's National Industry Pension. Mr. Stern's reputation as a business leader and his experience with federal legislation relating to universal healthcare and business regulations provide a unique perspective to the Board of Directors.

Frances Fragos Townsend has served as a director of SIGA since March 2011. Ms. Townsend is Senior Vice President of Worldwide Government, Legal and Business Affairs at MacAndrews Holdings and has held this position since October 2010. Ms. Townsend previously served as Homeland Security Advisor to President George W. Bush from May 2005 until January 2008. She also served as Deputy Assistant to the President and Deputy National Security Advisor for Combating Terrorism from May 2003 to May 2004. Prior to serving the President, Ms. Townsend was the first Assistant Commandant for Intelligence for the U.S. Coast Guard. Before that, Ms. Townsend spent 13 years at the U.S. Department of Justice under the administration of President George H.W. Bush, President Bill Clinton and President George W. Bush. Ms. Townsend also currently is an on-air contributor for CNN as a counterterrorism, national and homeland security expert. She serves as director of DRS Technologies and Thomson Reuters in addition to numerous government advisory and nonprofit boards. Ms. Townsend is the chairperson of the Intelligence and National Security Alliance and a member of the Council on Foreign Relations and the Trilateral Commission. Her extensive experience in government, combined with her legal acumen, is ideally suited for our business.

Michael A. Weiner, M.D. has served as a director of SIGA since 2001. Dr. Weiner has been the Hettinger Professor of Pediatrics at Columbia University College of Physicians and Surgeons since 1996. Dr. Weiner is also the Director of Pediatric Oncology at New York Presbyterian Hospital. Dr. Weiner was a director of Nexell Therapeutics, Inc. (f/k/a VimRx) from March 1996 to February 1999. Dr. Weiner is a 1972 graduate of the New York State Health Sciences Center at Syracuse and was a post-graduate student at New York University and Johns Hopkins University. Dr. Weiner's many years of experience and training as a practicing physician enable him to bring important perspectives on issues facing our drug discovery process and assist us in prioritizing opportunities for drug development. Dr. Weiner's prominence in the medical field and relationships in the medical and academic communities are valuable assets to the Board of Directors.

#### **Meetings of the Board of Directors**

During 2011, the Board of Directors held nine meetings. Those members of the Board of Directors who are independent as defined by Rule 5605 of the NASDAQ Marketplace Rules (the "Independent Directors") are also required, pursuant to Rule 5605(b)(2) of the NASDAQ Marketplace Rules, to regularly convene executive sessions where only such Independent Directors are present. Such meetings may be in conjunction with regularly scheduled meetings of the Board of Directors. Each member of the Board of Directors is also urged to attend the Annual Meeting. All members of the Board of Directors as of May 2011 attended SIGA's 2011 annual meeting of stockholders.

### Committees of the Board of Directors

The Board of Directors is responsible for appointing the members of the standing Audit, Compensation and Nominating and Corporate Governance Committees. Each member of the Audit, Compensation and Nominating and Corporate Governance Committees is an Independent Director. Each of these committees has a written charter that was approved by the Board of the Directors in March 2004. A copy of each charter is posted on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section.

**Audit Committee.** The Audit Committee, which currently consists of directors Paul G. Savas, James J. Antal, and Bruce Slovin, held six meetings during 2011. The Board of Directors has determined that each of the members of the Audit Committee is independent under the applicable laws, rules and regulations. Moreover, the Company has determined that Mr. Savas is an audit committee financial expert within the meaning of Regulation S-K promulgated by the Securities and Exchange Commission (the SEC). The purpose of the Audit Committee is to assist the Board of Directors in the oversight of the integrity of SIGA's financial statements, SIGA's compliance with legal and regulatory matters, the independent registered public accounting firm's qualifications and independence, and the performance of SIGA's independent registered public accounting firm. The primary responsibilities of the Audit Committee are set forth in its charter and include various matters with respect to the oversight of SIGA's accounting and financial reporting process and audits of the financial statements of SIGA on behalf of the Board of Directors. The Audit Committee also selects the independent registered public accounting firm to conduct the annual audit of SIGA's financial statements; reviews the proposed scope of such audit; reviews the Company's accounting and financial controls with the independent registered public accounting firm and our financial accounting staff; and reviews and approves transactions, if any, between us and our directors, officers, and their affiliates. A copy of the Audit Committee charter is available on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section. Also see the section of this proxy statement entitled Report of the Audit Committee.

**Compensation Committee.** The Compensation Committee, which currently consists of directors William C. Bevins, Paul G. Savas, Bruce Slovin, and Joseph W. Marshall, held seven meetings during 2011. Effective after May 17, 2011, William C. Bevins replaced Steven L. Fasman as committee chair and Joseph W. Marshall replaced Michael A. Weiner as a committee member. The Board of Directors has determined that each of the members of the Compensation Committee is independent within the meaning of the NASDAQ listing standards. The Compensation Committee functions include reviewing and approving the compensation and benefits for SIGA's executive officers, administering SIGA's equity incentive plans and making recommendations to the Board of Directors regarding these matters. A copy of the Compensation Committee charter is available on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section. Also see the section of this proxy statement entitled Compensation Discussion and Analysis.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee (the Nominating Committee), which currently consists of directors Michael J. Bayer, James J. Antal, Frances Fragos Townsend and Michael A. Weiner, held three meetings in 2011. Ms. Townsend was appointed effective after May 17, 2011. The Board of Directors has determined that each of the members of the Nominating Committee is independent within the meaning of the NASDAQ listing standards. The Nominating Committee is responsible for searching for and recommending to the Board of Directors potential nominees for director positions, making recommendations to the Board of Directors regarding the size and composition of the Board of Directors and its committees, monitoring the Board of Director's effectiveness and developing and implementing SIGA's corporate governance procedures and policies. A copy of the Nominating Committee charter is available on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section.

In selecting candidates for the Board of Directors, the Nominating Committee begins by determining whether the incumbent directors, whose terms expire at the annual meeting of stockholders, desire and are qualified to continue their service on the Board of Directors. SIGA is of the view that the continuing service of qualified incumbents promotes stability and continuity of the Board of Directors, giving SIGA the benefit of familiarity and insight into SIGA's affairs that its directors have accumulated during their tenure, while contributing to the Board of Directors' ability to work as a collective body. Accordingly, it is the policy of the Nominating Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Nominating Committee's criteria for membership on the Board of Directors, whom the Nominating Committee believes will continue to make important contributions to the Board of Directors and who consent to stand for re-election and, if re-elected, to continue their service on the Board of Directors. If there are positions on the Board of Directors for which the Nominating Committee will not be re-nominating an incumbent director, or if there is a vacancy on the Board of Directors, the Nominating Committee will solicit recommendations for nominees from persons whom the Nominating Committee believes are likely to be familiar with qualified candidates, including members of the Board of Directors and management of SIGA. The Nominating Committee may also engage a professional search firm to assist in the identification of qualified candidates, but did not do so in 2011. As to each recommended candidate that the Nominating Committee believes merits serious consideration, the Nominating Committee will collect as much information including, without limitation, soliciting views from other directors and SIGA's management and having one or more Nominating Committee members interview each such candidate, regarding each candidate as it deems necessary or appropriate in order to make an informed decision with respect to such candidate. The Nominating Committee considers the overall qualifications of prospective nominees for director, including the particular experience, expertise and outlook that they would bring to the Board of Directors. While diversity may contribute to this overall evaluation, it is not considered by the Nominating Committee as a separate or independent factor in identifying nominees for director. Based on all available information and relevant considerations, the Nominating Committee will select, for each directorship to be filled, a candidate who, in the view of the Nominating Committee, is most suited for membership on the Board of Directors. In making its selection, SIGA will evaluate candidates proposed by stockholders under criteria similar to the evaluation of other candidates, except that the Nominating Committee may consider, as one of the factors in its evaluation of stockholder recommended nominees, the size and duration of the interest of the recommending stockholder or stockholder group in the equity of SIGA. This consideration may also include how long the recommending stockholder intends to continue holding its equity interest in SIGA.

The Nominating Committee has adopted a policy with regard to the minimum qualifications that must be met by a Nominating Committee-recommended nominee for a position on the Board of Directors. Pursuant to this policy, the Nominating Committee generally requires that all candidates for the Board of Directors be of high personal integrity and ethical character and not have any interest that would, in the view of the Nominating Committee, materially impair the candidate's ability to (i) exercise independent judgment or (ii) otherwise discharge the fiduciary duties owed as a director to SIGA and its stockholders. In addition, candidates must be able to represent fairly and equally all stockholders of SIGA without favoring or advancing any particular stockholder or other constituency of SIGA. Candidates must have demonstrated achievement in one or more fields of business, professional, governmental, communal, scientific or educational endeavor. Candidates are expected to have sound judgment and a general appreciation regarding major issues facing public companies of a size and operational scope similar to SIGA, including contemporary governance concerns, regulatory obligations of a public issuer, strategic business planning, competition in a global economy, and basic concepts of corporate finance. Candidates must also have, and be prepared to devote, adequate time to the Board of Directors and its committees. It is expected that, taking into account their other business and professional commitments, including their service on the boards of other companies, each candidate will be available to attend meetings of the Board of Directors and any committees on which the candidate will serve, as well as SIGA's annual meeting of stockholders. SIGA also requires that at least a majority of the directors serving at any time on the Board of Directors are independent, as defined under the rules of the NASDAQ stock market and that at least three of the directors satisfy the financial literacy requirements required for service on the Audit Committee under the rules of the NASDAQ stock market.

The Nominating Committee has adopted a policy, summarized in this paragraph, with regard to the consideration of director candidates recommended by stockholders. The Nominating Committee will consider recommendations for the nomination of directors submitted by holders of SIGA's shares entitled to vote generally in the election of directors. The Nominating Committee will give consideration to these recommendations for positions on the Board of Directors where the Nominating Committee has not determined to re-nominate a qualified incumbent director. While the Nominating Committee has not established a minimum number of shares that a stockholder must own in order to present a nominating recommendation for consideration, or a minimum length of time during which the stockholder must own its shares, the Nominating Committee may take into account the size and duration of a recommending stockholder's ownership interest in SIGA. The Nominating Committee may also consider whether the stockholder making the nominating recommendation intends to maintain an ownership interest in SIGA of substantially the same size as its interest at the time of making the recommendation. The Nominating Committee may refuse to consider recommendations of nominees who do not satisfy the minimum qualifications prescribed by the Nominating Committee for board candidates.

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The Nominating Committee has adopted procedures to be followed by stockholders in submitting recommendations of candidates for directors. The procedures are posted on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section. Pursuant to these procedures, a stockholder (or group of stockholders) wishing to submit a nominating recommendation for an annual meeting of stockholders should arrange to deliver it to SIGA not later than 120 calendar days prior to the first anniversary of the date of the proxy statement for the prior annual meeting of stockholders. All stockholder nominating recommendations should be in writing, addressed to the Nominating and Corporate Governance Committee in care of SIGA's Chief Financial Officer at SIGA's principal headquarters, 35 East 62nd Street, New York, New York 10065. Submissions should be made by mail, courier or personal delivery. A nominating recommendation should be accompanied by the following information concerning each recommending stockholder:

- The name and address, including telephone number, of the recommending stockholder;
- The number and class of SIGA's shares owned (beneficially or of record) by the recommending stockholder and the time period for which such shares have been held;
- A statement from the stockholder as to whether the stockholder has a good-faith intention to continue to hold the reported shares through the date of SIGA's next annual meeting of stockholders;
- Sufficient information about the proposed nominee for the Nominating Committee to make an informed decision regarding the qualifications of the proposed nominee;
- Any relationship between the proposed nominee and the recommending stockholder; and
- Such other information as the Nominating Committee may reasonably request.

The nominating recommendation must be accompanied by the consent of the proposed nominee to be interviewed by the Nominating Committee, if the Nominating Committee chooses to do so in its discretion (and the recommending stockholder must furnish the nominee's contact information for this purpose), and, if nominated and elected, to serve as a director of SIGA.

### **Compensation Committee Interlocks and Insider Participation**

None.

### **Code of Ethics**

SIGA has adopted a Code of Ethics and Business Conduct that applies to its officers, directors and employees including, without limitation, our Chief Executive Officer, Chief Financial Officer, and Chief Scientific Officer. The Code of Ethics and Business Conduct is available, free of charge, on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section. In the event that there is any amendment to or waiver from any provision of the Code of Ethics and Business Conduct that requires disclosure under Item 5.05 of Form 8-K, SIGA intends to satisfy these disclosure requirements by posting such information on its website, as permitted by Item 5.05(c) of Form 8-K.

### **Stockholder Communications with the Board of Directors**

SIGA stockholders may send communications to the Board of Directors, any committee of the Board of Directors or an individual director. The process for so communicating is posted on SIGA's website at [www.siga.com](http://www.siga.com) under the Corporate Governance section.

### **Board Leadership Structure**

The Board of Directors believes that our Chief Executive Officer, or CEO, is best situated to serve as Chairman because he is the director most familiar with our business and industry and most capable of effectively identifying strategic priorities and leading the discussion and implementation of strategy. Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight skills and expertise from outside our organization and industry, while the CEO brings company-specific experience and expertise. The Board of Directors believes that the combined role of Chairman and CEO promotes strategy development and implementation, and facilitates information flow between management and the Board of Directors, which are essential to effective governance.



One of the principal responsibilities of the Board of Directors is to develop strategic direction and hold management accountable for implementing the strategy once it is developed. The Board of Directors believes the combined role of Chairman and CEO, together with an informed and engaged Board, is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management. The Board of Directors has no independent director permanently designated as a Lead Director, although the independent directors designate a leader for that meeting each time that they go into executive session. The Board of Directors intends to review its leadership structure periodically and consider whether other structures might be appropriate.

**The Board's Role in Risk Oversight**

The Board of Directors has an active role, as a whole and at the committee level, in overseeing management of our risks. The Board of Directors regularly reviews information about our financial condition and operations, and the risks associated with each. The Board's Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The Audit Committee oversees management of financial reporting risks and considers the effects of systemic risks inherent in our business. The Nominating Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of those risks, the entire Board of Directors is regularly informed about them through committee reports.



**REPORT OF THE AUDIT COMMITTEE**

The members of the Audit Committee have been appointed by the Board of Directors. During the 2011 fiscal year, the Audit Committee consisted solely of independent directors, as defined in Rule 5605(a)(2) of the NASDAQ Marketplace Rules. The Audit Committee operates under a written charter that was amended and restated by the Board of Directors in March 2004 in order to assure continued compliance by SIGA with SEC and NASDAQ rules enacted in response to requirements of the Sarbanes-Oxley Act. The Audit Committee reviews and reassesses the adequacy of its written charter on an annual basis.

The Audit Committee assists the Board of Directors in monitoring the integrity of SIGA's financial statements, the independent registered public accounting firm's qualifications and independence, the performance of the independent registered public accounting firm, and SIGA's compliance with applicable legal and regulatory requirements. Management is responsible for SIGA's internal controls and the financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of SIGA's financial statements in accordance with generally accepted auditing standards and for issuing a report on those financial statements. The Audit Committee monitors and oversees these processes.

In this context, the Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2011 with management and with PricewaterhouseCoopers LLP, SIGA's independent registered public accounting firm. The Audit Committee has discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Oversight Board in Rule 3200T, which includes, among other items, matters related to the conduct of the audit of SIGA's annual financial statements.

The Audit Committee has also received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP the issue of their independence from SIGA and management. In addition, the Audit Committee has considered whether the provision of non-audit services by the independent registered public accounting firm in 2012 is compatible with maintaining the auditor's independence.

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in SIGA's Annual Report on Form 10-K for the year ended December 31, 2011. The Audit Committee has also recommended, subject to stockholder ratification, the selection of SIGA's independent registered public accounting firm for the year ending December 31, 2012.

Respectfully submitted by the Audit Committee,  
Paul G. Savas, Chairman  
James J. Antal  
Bruce Slovin

**COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION**

The Compensation Committee, comprised of independent directors, has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted by the Compensation Committee,  
William C. Bevins, Chairman  
Joseph W. Marshall  
Paul G. Savas  
Bruce Slovin

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

## Ownership of Common Stock

The following tables set forth certain information regarding the beneficial ownership of SIGA's voting securities as of March 15, 2012 of (i) each person known to SIGA to beneficially own more than 5% of the applicable class of voting securities, (ii) each director and director nominee of SIGA, (iii) each Named Executive Officer and (iv) all directors and executive officers of SIGA as a group. As of March 15, 2012, a total of 51,638,352 shares of Common Stock were outstanding. Each share of Common Stock is entitled to one vote on matters on which holders of Common Stock are eligible to vote. The column entitled "Percentage of Total Voting Stock Outstanding" shows the percentage of total voting stock beneficially owned by each listed party.

The number of shares beneficially owned is determined under rules promulgated by the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under those rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days of March 15, 2012, through the exercise or conversion of any stock option, convertible security, warrant or other right. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of capital stock listed as owned by that person or entity.

Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percentage of Common Stock Outstanding	Percentage of Total Voting Stock Outstanding
MacAndrews & Forbes LLC. (3)	10,556,813 (5)	19.94%	19.94%
STH Partners L.P. (4)	3,851,969	7.46%	7.46%
FMR LLC 82 Devonshire Street Boston, MA 02109	3,535,450	6.85%	6.85%
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street New York, NY 10022	2,647,862	5.13%	5.13%
James J. Antal 30952 Steeplechase Dr. San Juan Capistrano, CA 92675	81,154 (6)	*	*
Michael J. Bayer Dumbarton Strategies 3130 Dumbarton Street, NW Washington D.C., 20007	55,000 (7)	*	*
William C. Bevins	85,000 (8)	*	*
Thomas E. Constance Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, NY 10036	215,000 (9)	*	*
Joseph W. Marshall III 1818 Market Street Philadelphia, PA 19103	63,000 (7)	*	*
Paul G. Savas	156,840 (10)	*	*



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Name and Address of Beneficial Owner (1)	Amount of Beneficial Ownership (2)	Percentage of Common Stock Outstanding	Percentage of Total Voting Stock Outstanding
Bruce Slovin 1 Eleven Associates LLC 111 East 61 <sup>st</sup> Street New York, NY 10065	235,000 (7)	*	*
Andrew Stern Old North 402 Georgetown University 37 <sup>th</sup> and O St. NW Washington, D.C. 20057	37,150 (8)	*	*
Frances Fragos Townsend	37,000 (8)	*	*
Michael A. Weiner, M.D. 161 Fort Washington Ave. New York, NY 10032	51,000 (11)	*	*
Eric A. Rose, M.D.	689,935 (12)	1.33%	1.33%
Dennis E. Hrubby, Ph.D	300,000 (13)	*	*
Daniel J. Luckshire	40,000 (14)	*	*
Ayelet Dugary (15)	-	*	*
<b>All executive officers and directors as a group (fourteen individuals)</b>	<b>2,046,079 (16)</b>	<b>3.87%</b>	<b>3.87%</b>

- (1) Unless otherwise indicated the address of each beneficial owner identified is 35 East 62<sup>nd</sup> Street, New York, New York 10065.
- (2) Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated. For purposes of this table, a person or group of persons is deemed to have beneficial ownership of any shares as of a given date which such person has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership of such person or persons, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.
- (3) MacAndrews & Forbes LLC ( M&F ) is a direct, wholly owned subsidiary of MacAndrews Holdings, a holding company whose sole stockholder is Ronald O. Perelman.