

ENANTA PHARMACEUTICALS INC
Form DEF 14A
January 06, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

ENANTA PHARMACEUTICALS, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-(6) (i) (1) and 0-11.

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

(2) Aggregate number of securities to which transactions 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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ENANTA PHARMACEUTICALS, INC.

500 Arsenal Street

Watertown, Massachusetts 02472

(617) 607-0800

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD FEBRUARY 16, 2017

The 2017 Annual Meeting of Stockholders of Enanta Pharmaceuticals, Inc. (Enanta), a Delaware corporation, will be held at the offices of Locke Lord LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, at 4:00 p.m. local time on Thursday, February 16, 2017, for the following purposes:

1. To elect two Class I directors to serve until the 2020 Annual Meeting of Stockholders.
2. To approve the performance measures in the 2012 Equity Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code.
3. To ratify the appointment of PricewaterhouseCoopers LLP as Enanta s independent registered public accounting firm for the 2017 fiscal year.
4. To transact any other business that may properly come before the meeting or any adjournment of the meeting.

The record date for the 2017 Annual Meeting is December 27, 2016. Accordingly, only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

It is important that your shares be represented at the meeting. Therefore, whether or not you plan to attend the meeting, please complete your proxy and return it in the enclosed envelope, which requires no postage if mailed in the United States. If you attend the meeting and wish to vote in person, your proxy will not be used.

By order of the Board of Directors,

Nathaniel S. Gardiner

Secretary

January 6, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON FEBRUARY 16, 2017

This Proxy Statement and our Annual Report are available online at the Investors Annual Meeting Materials section of our website at www.enanta.com. To obtain directions to the offices of Locke Lord LLP in order to attend the annual meeting in person, please visit the Investors Annual Meeting Materials section of our website at www.enanta.com or contact Investor Relations at (617) 607-0710.

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ENANTA PHARMACEUTICALS, INC.

500 Arsenal Street

Watertown, Massachusetts 02472

(617) 607-0800

PROXY STATEMENT

INFORMATION CONCERNING SOLICITATION AND VOTING

We are soliciting proxies from our stockholders to vote at our 2017 Annual Meeting of Stockholders, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement. The annual meeting will be held at 4:00 p.m. local time on Thursday, February 16, 2017 at the offices of Locke Lord LLP, located at 111 Huntington Avenue, Boston, Massachusetts 02199. For directions to the offices of Locke Lord LLP in order to attend the annual meeting in person, please visit the [Investors Annual Meeting Materials](#) section of our website at www.enanta.com or contact Investor Relations at (617) 607-0710.

The proxy materials, including this proxy statement, the proxy card and our 2016 annual report to stockholders, are being distributed and made available on the Internet at the [Investors Annual Meeting Materials](#) section of our website at www.enanta.com on or about January 6, 2017.

This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

All references in this proxy statement to a particular year, e.g. 2016, refer to our twelve-month fiscal year ended on September 30 of that year, e.g. September 30, 2016, unless the context indicates otherwise.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these materials?

We are soliciting proxies for our annual meeting of stockholders to be held on Thursday, February 16, 2017. You are receiving a proxy statement because you owned shares of our common stock on December 27, 2016, the record date for the special meeting, and that ownership entitles you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting.

When and where is the Annual Meeting?

The annual meeting will be held at the offices of Locke Lord LLP, located at 111 Huntington Avenue, Boston, Massachusetts 02199 at 4:00 p.m. on Thursday, February 16, 2017, or at any future date and time following an adjournment or postponement of the meeting.

What proposals will be voted on at the Annual Meeting?

The three proposals to be considered and voted on at the annual meeting, as set forth in the accompanying Notice of Annual Meeting of Stockholders, are (i) the election of two Class I directors, (ii) the approval of the performance measures in the 2012 Equity Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code, and (iii) the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2017 fiscal year.

As far as we know, the only matters to be brought before the annual meeting are those referred to in this proxy statement. If any additional matters are presented at the annual meeting, the persons named as your proxies may vote your shares in their discretion.

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Do I have to attend the meeting to vote?

No. If you want to have your vote count at the meeting, but not actually attend the meeting in person, you may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. The following summary outlines the various procedures for voting:

Stockholder of Record: Shares Registered in Your Name.

If on December 27, 2016 your shares were registered directly in your name with our transfer agent, then you are a stockholder of record. If you are a stockholder of record, you may vote in person at the annual meeting or by mail. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. Voting in person will revoke your proxy. There are three ways to vote:

To vote in person, please come to the annual meeting and we will give you a ballot when you arrive.

To vote using the proxy card, please complete, sign and date the proxy card furnished to you with the notice of this meeting and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.

To vote via the internet, access the website of the Company's tabulator, Broadridge, at: www.proxyvote.com, using the voter control number printed on the proxy card furnished to you with the notice of this meeting. Your shares will be voted in accordance with your instructions. You must specify how you want your shares voted or your Internet vote cannot be completed and you will receive an error message. If you vote on the Internet, you may also request electronic delivery of future proxy materials.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank.

If on December 27, 2016 your shares were held not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then your shares are held in street name and you are the beneficial owner and not the record owner of the shares. If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Please complete and mail that proxy card to ensure that your vote is counted. Alternatively, you may vote over the Internet, if instructed by your broker or bank that you may do so. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request such a proxy form.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on December 27, 2016, the record date, are entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the meeting. On the record date, we had outstanding 19,040,267 shares of common stock, each of which is entitled to one vote upon each of the matters to be presented at the meeting.

See *Do I have to attend the meeting to vote* above for more information regarding voting.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by stockholders present at the meeting or present by proxy. On the record date, there were 19,040,267 shares outstanding and entitled to vote. Thus, 9,520,134 shares must be represented by stockholders present at the meeting in person or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

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How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count For and Withhold and, with respect to proposals other than the election of directors, Against votes, abstentions and broker non-votes. Abstentions and broker non-votes have no effect and will not be counted towards the vote total for any proposal.

If your shares are held by your broker in street name, you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. Discretionary items are proposals considered routine on which your broker may vote shares held in street name in the absence of your voting instructions. Non-discretionary items are matters such as mergers, stockholder proposals, executive compensation and elections of directors. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted For our two nominees for director, For approval of the performance measures in our 2012 Equity Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code, and For ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our 2017 fiscal year.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of four ways:

You may submit another properly completed proxy vote with a later date which must be delivered in person at the meeting or by mail or any other method specified by the record holder if your shares are held in street name.

You may submit your revocation over the Internet or by telephone prior to the close of the Internet voting facility or the telephone voting facility.

You may send a written notice that you are revoking your proxy to our Secretary, Nathaniel S. Gardiner, c/o Enanta Pharmaceuticals, Inc., 500 Arsenal Street, Watertown, Massachusetts 02472.

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

What is the vote required for a proposal to pass?

Proposal 1

The affirmative vote of the holders of a plurality of the shares represented in person or by proxy is required for the election of directors. Broker non-votes and proxies marked to withhold authority with respect to the election of one or more Class I directors will not be voted with respect to the director indicated. The two director nominees receiving the highest number of votes will be elected.

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Proposal 2

The affirmative vote of the holders of a majority of votes cast at the meeting is required for approval of the performance measures in the 2012 Equity Plan in order to comply with the requirements of Section 162(m) of the Internal Revenue Code so that equity awards under the plan to covered employees are exempt from the limitations of Section 162(m). Proxies marked as abstentions on such matter will not be voted, although they will be counted for purposes of determining whether there is a quorum at the meeting. Abstentions and broker non-votes will have no effect on the voting outcome.

Proposal 3

The affirmative vote of the holders of a majority of votes cast at the meeting is required for approval of the vote to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2017 fiscal year. Proxies marked as abstentions on such matter will not be voted, although they will be counted for purposes of determining whether there is a quorum at the meeting. Abstentions and broker non-votes will have no effect on the voting outcome.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in a Current Report on Form 8-K, or Form 8-K, that we expect to file with the Securities and Exchange Commission, or SEC, within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the annual meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to mailing the proxy materials, our officers, directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Officers, directors and employees will not be paid any additional compensation for soliciting proxies. We may also utilize the assistance of third parties in connection with our proxy solicitation efforts and we would compensate such third parties for their efforts.

Implications of being an emerging growth company

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups (JOBS) Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements. These reduced reporting requirements include reduced disclosure about the company's executive compensation arrangements. In addition, we are not required to conduct non-binding advisory votes on executive compensation. We will remain an emerging growth company until the earliest of (1) September 30, 2018 (the last day of the fiscal year following the fifth anniversary of the completion of our initial public offering), (2) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.0 billion, (3) the last day of the fiscal year in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds \$700.0 million as of the prior March 31st, and (4) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be householding our proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you call or write us at our principal executive offices, 500 Arsenal Street, Watertown, Massachusetts 02472, Attn: Investor Relations, telephone: (617) 607-0710. In the future, if you want to receive separate copies of the proxy statement or annual report to stockholders, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address and telephone number.

Table of Contents**No Appraisal Rights**

There are no appraisal rights associated with any of the proposals being considered at the annual meeting.

BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table and footnotes set forth certain information regarding the beneficial ownership of our common stock as of December 1, 2016 by (i) persons known by us to be beneficial owners of more than 5% of our common stock, (ii) each of our current executive officers named in the Summary Compensation Table included in Executive Compensation below, (iii) our current directors and (iv) all our current executive officers and directors as a group. The percentage of shares beneficially owned is computed on the basis of 19,038,937 shares of our common stock outstanding as of December 1, 2016.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock. Shares of our common stock that a person has the right to acquire within 60 days of December 1, 2016 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Except as otherwise indicated in the footnotes below, we believe the persons and entities in this table have sole voting and investing power with respect to all of the shares of our common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise indicated in the footnotes below, the address of the beneficial owner is c/o Enanta Pharmaceuticals, Inc., 500 Arsenal Street, Watertown, MA 02472.

Beneficial Owner	Beneficially Owned Number of Shares	
	Shares	Percent
BlackRock, Inc. ⁽¹⁾	1,976,163	10.38%
Shionogi & Co., Ltd ⁽²⁾	1,599,760	8.40%
Alan J. Dworsky and affiliates ⁽³⁾	1,414,985	7.43%
Apex Capital Management ⁽⁴⁾	1,234,383	6.48%
AbbVie Inc. ⁽⁵⁾	1,072,103	5.63%
Krensavage Asset Management, LLC ⁽⁶⁾	999,741	5.25%
Jay R. Luly, Ph.D.	841,274 ⁽⁷⁾	4.37%
Yat Sun Or, Ph.D.	424,554 ⁽⁸⁾	2.22%
Paul J. Mellett	208,893 ⁽⁹⁾	1.09%
Ernst-Günter Afting, M.D., Ph.D.	58,948 ⁽¹⁰⁾	*
Stephen Buckley, Jr.	32,061 ⁽¹¹⁾	*
Bruce L. A. Carter, Ph.D.	20,780 ⁽¹²⁾	*
George S. Golumbeski, Ph.D.	20,522 ⁽¹³⁾	*
Lesley Russell, MBChB, MRCP	554 ⁽¹⁴⁾	*
Terry C. Vance	37,235 ⁽¹⁵⁾	*
All current directors and executive officers as a group (12 persons)	1,840,970 ⁽¹⁶⁾	9.28%

* Less than 1%

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Excludes all shares that may be issuable after December 1, 2016 under outstanding performance share units or relative total stockholder return units issued to management, as none of such shares were issuable within 60 days after December 1, 2016.

- (1) BlackRock, Inc. reports that (i) it or its subsidiaries hold sole investment power with respect to all of these shares, and sole voting power with respect to 1,942,536 of these shares, and (ii) its subsidiary BlackRock Fund Advisors beneficially owns more than 5% of the outstanding shares of Enanta. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055. This information is as of November 30, 2016, based solely on a Schedule 13G filed by BlackRock, Inc. on December 9, 2016.

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- (2) Voting and investment power over the shares held by Shionogi & Co., Ltd. is exercised by its Representative Directors (i.e., Motozo Shiono and Isao Teshirogi) or Vice President of Finance & Accounting Department (i.e., Yuji Hosogai). The address of Shionogi & Co., Ltd. and for the individuals listed above is c/o Shionogi & Co., Ltd. 1-8, Doshomachi 3-chome, Chuo-ku, Osaka 541-0045, Japan. This information is based solely on a Schedule 13G filed by Shionogi & Co., Ltd. on January 29, 2014.
- (3) Mr. Dworsky reports that he has (i) shared voting and dispositive power over 871,445 shares held by the Alan J. Dworsky 1988 Trust u/d/t dated January 6, 1988, as amended, of which Mr. Dworsky is a trustee, (ii) sole voting and dispositive power over 386,231 shares held by the Alan J. Dworsky Grandchildren's Trusts u/d/t dated July 14, 1995, as amended, of which Mr. Dworsky is a trustee, and (iii) sole voting and dispositive power over 157,309 shares held by the Popplestone Foundation u/d/t dated August 15, 2000, of which Mr. Dworsky is a trustee. Mr. Dworsky's address is 8 Mercer Circle, Cambridge, MA 02138. This information is based solely on a Schedule 13G filed by Mr. Dworsky with the SEC on February 3, 2016.
- (4) Apex Capital Management has sole voting and investment power with respect to the shares held by it. Its address is Apex Capital Management, 8163 Old Yankee Street, Suite E, Dayton, Ohio 45458. This information is based solely on a Schedule 13G filed by Apex Capital Management on February 10, 2016.
- (5) AbbVie Inc. has sole voting and investment power with respect to the shares held by it. Its address is AbbVie Inc., 1 North Waukegan Road, North Chicago, Illinois 60064. This information is based solely on a Schedule 13G filed by AbbVie Inc. on February 7, 2014.
- (6) Krensavage Asset Management, LLC has sole voting and investment power with respect to the shares held by it. Its address is 130 East 59th Street, 11th Floor, New York, NY 10022. This information is based solely a Form 13F filed by Krensavage Asset Management, LLC on November 14, 2016.
- (7) Consists of (i) 630,299 shares of common stock and (ii) 210,975 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (8) Consists of (i) 315,797 shares of common stock and (ii) 108,757 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (9) Consists of (i) 61,086 shares of common stock and (ii) 147,807 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (10) Consists of (i) 17,287 shares of common stock and (ii) 41,661 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (11) Consists of (i) 2,000 shares of common stock and (ii) 30,061 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (12) Consists of 20,780 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (13) Consists of 20,522 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (14) Consists of shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (15) Consists of (i) 15,295 shares of common stock and (ii) 21,940 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.
- (16) See Notes 7 through 15. Consists of (i) 1,043,664 shares of common stock and (ii) 797,306 shares of common stock issuable upon exercise of outstanding options that were exercisable within the 60-day period following December 1, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

Our executive officers and directors and persons who own beneficially more than 10% of our equity securities are required under Section 16(a) of the Securities Exchange Act of 1934 to file reports of ownership and changes in their ownership of our securities with the SEC. They must also furnish copies of these reports to us. Based solely on a review of the copies of reports furnished to us and written representations that no other reports were required, we

believe that for our 2016 fiscal year our executive officers, directors and 10% beneficial owners complied with all applicable Section 16(a) filing requirements.

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Our Board of Directors has fixed the number of directors at seven, which will be reduced to six effective after the resignation of Dr. Afting upon completion of his current year of service on February 15, 2017. Under our charter, our Board is divided into three classes, with each class having as nearly as possible an equal number of directors. The term of one class expires, with their successors being subsequently elected to a three-year term, at each annual meeting of stockholders. At the 2017 annual meeting, the two nominees named in this proxy statement as Class I Directors will be elected to hold office for three years until their successors are elected and qualified. The Board has nominated Bruce L.A. Carter, Ph.D. and Jay R. Luly, Ph.D. for election as Class I Directors at the upcoming annual meeting. Dr. Carter is an independent director as defined by applicable NASDAQ Stock Market standards governing the independence of directors. Dr. Luly is our President and Chief Executive Officer. Each nominee has consented to serve, if elected. If any nominee is unable to serve, proxies will be voted for any replacement candidate nominated by our Board of Directors.

Votes Required

Directors will be elected by a plurality of the votes cast by the stockholders entitled to vote on this proposal at the meeting. Broker non-votes and proxies marked to withhold authority with respect to one or more Class I directors will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.

Nominees for Director and Current Directors

The following table contains biographical information as of December 1, 2016 about the nominees for Class I Director and current directors whose terms of office will continue after the annual meeting. The table includes information provided by the directors individually as to their age, current position, principal occupation and experience for the past five years, and the names of other publicly-held companies for which they currently serve as a director or have served as a director during the past five years.

Current SEC rules require us to discuss briefly the specific experience, qualifications, attributes or skills that led the Board to conclude that each director or nominee for director should serve on our Board of Directors. We have provided this discussion in a separate paragraph immediately below the biographical information provided for each director.

As you read the disclosure, please keep in mind that any specific qualification, attribute or skill that is attributed to one director should not necessarily imply that other directors do not possess that qualification, attribute or skill. Furthermore, this disclosure does not impose on any director any duties, obligations or liability that are greater than the duties, obligations, and liability imposed on each other member of the Board.

Because the discussion of the specific experience, qualifications, attributes or skills of a director is to be made each year in light of the Company's business and structure at that time, the content of this discussion may change for one or more directors in future years.

Name and Age**Business Experience During Past Five Years****Director**

and Other Directorships

Since

Class I Directors (present term expires in 2017)

<p>Bruce L. A. Carter, Ph.D. Age: 73</p>	<p><i>Bruce L.A. Carter, Ph.D.</i> has served on our Board of Directors since November 2013 and as our Chairman of the Board since December 2015. Dr. Carter is an Affiliate Professor in the Department of Biochemistry at the University of Washington, Seattle, Washington since 1986. He served as Executive Chairman of Immune Design Corp., a privately held biotechnology company, from November 2009 to November 2011 and he served as a director from 2000 to January 2009. From 1998 to 2009, Dr. Carter served as President and Chief Executive Officer of ZymoGenetics, Inc., a publicly-held biotechnology company, and as its Chairman of the Board from 2005 until it was acquired by Bristol-Myers Squibb in October 2010. From 1994 to 1998, Dr. Carter was</p>	<p>2013</p>
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the Chief Scientific Officer of Novo Nordisk, a publicly-held pharmaceutical company. Previously he held positions in research at ZymoGenetics and G.D. Searle & Co. Ltd. Dr. Carter serves as a director of Dr. Reddy's Laboratories Limited, a publicly-held pharmaceutical company, and Xencor, Inc. and Mirati Therapeutics, publicly-held biopharmaceutical companies. Dr. Carter holds a Ph.D. in microbiology from Queen Elizabeth College, University of London and a B.Sc. with Honors in botany from the University of Nottingham, England.

We believe that Dr. Carter is qualified to serve on our board of directors due to his business and scientific experience as a pharmaceutical executive in Europe and the United States and as chief executive officer of a biotechnology company, in addition, to his experience as a director of several companies in our industry.

Jay R. Luly, Ph.D. Age: 60	<i>Jay R. Luly, Ph.D.</i> , has served as our President and Chief Executive Officer and as a member of our board of directors since July 2003. Prior to joining Enanta, Dr. Luly was an Entrepreneur in Residence at Oxford Bioscience Partners. Before joining Oxford in March 2002, Dr. Luly held the positions of Senior Vice President, Research and Development Operations and Senior Vice President, Discovery Strategy and Operations at Millennium Pharmaceuticals following Millennium's merger with LeukoSite, Inc., where he had served as Senior Vice President, Drug Discovery and Preclinical Development. Prior to joining LeukoSite, he held a number of senior drug discovery positions at Abbott Laboratories from 1983 to 1997. Dr. Luly received a B.S. from the University of Illinois, Urbana/Champaign and a Ph.D. in synthetic organic chemistry from the University of California, Berkeley.	2003
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We believe that Dr. Luly is qualified to serve on our board of directors due to his service as our President and Chief Executive Officer and his extensive knowledge of our company and industry.

Class II Directors (present term expires in 2018)

George S. Golumbeski, Ph.D. Age: 59	<i>George Golumbeski, Ph.D.</i> , has served as a member of our board of directors since February 2014. Dr. Golumbeski is the Executive Vice President of Business Development for Celgene Corporation, a biotechnology company, where he has been responsible for the full array of business development activities since 2009, focused primarily within the therapeutic areas of oncology and inflammation. From 2008 to 2009, Dr. Golumbeski served as the CEO of Nabriva Therapeutics AG. Prior to Nabriva, Dr. Golumbeski served as Vice President of Business Development, Licensing and Strategy for Novartis-Oncology. Earlier in his career, Dr. Golumbeski held senior positions at Elan Pharmaceuticals and at Schwarz Pharma. He currently serves on the board of directors of Acceleron Pharma, Inc., a public biotechnology company. Dr. Golumbeski received a BA in biology from the University of Virginia and a Ph.D. in genetics from the University of Wisconsin-Madison.	2014
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We believe that Dr. Golumbeski is qualified to serve on our board of directors due to his experience in business development and drug development as an executive in the biotechnology and pharmaceutical industries.

Terry C. Vance Age: 60	<i>Terry C. Vance</i> has served as a member of our board of directors since June 2011. Mr. Vance is currently Chief Business Officer of BioMotiv, LLC, a drug development company affiliated with The Harrington Project. He is also currently a Managing	2011
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Member of EGS Healthcare, a late-stage venture capital fund that he co-founded in 2000. Before starting EGS Healthcare, Mr. Vance was a founding partner in Eagle Advisors, which provided strategic advice to emerging biotechnology companies. Prior to Eagle, Mr. Vance was an investment banker, first with Salomon Brothers and then with Goldman Sachs, where he was a vice president in the Capital Markets Division. Mr. Vance received an AB from Princeton University and an MBA from Stanford University.

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We believe that Mr. Vance is qualified to serve on our board of directors due to his business and financial experience as a venture capital investor and investment banker in our industry.

Class III Directors (present term expires in 2019)

Lesley Russell, MBChB, MRCP Age: 56	Lesley Russell, MBChB, MRCP, was elected to our board of directors in November 2016. Dr. Russell is currently Chief Medical Officer of Innocoll Holdings Plc., a public biotechnology company, which she joined in April 2016. Dr. Russell previously served as Chief Operating Officer and Chief Medical Officer of TetraLogic Pharmaceuticals, another public biotechnology company, from August 2013, and prior to that during 2013 she operated as an independent consultant. Dr. Russell was a medical executive with Cephalon, Inc. from January 2000 to 2011, most recently as Executive Vice President and Chief Medical Officer from September 2006 until October 2011, when Cephalon was acquired by Teva Pharmaceuticals. Dr. Russell served as a Senior Vice President and Global Head, Research and Development for Global Branded Products from the acquisition until July 2012. Dr. Russell previously held positions in medical research at US Bioscience, Eli Lilly and Amgen. Dr. Russell serves as an independent director of AMAG Pharmaceuticals, Inc., a public specialty pharmaceutical company, and Endocyte Pharmaceuticals, Inc., a public biotechnology company. Dr. Russell holds a Bachelor of Medicine, Bachelor of Surgery (MBChB) from the University of Edinburgh and is a member of the Royal College of Physicians, UK.	2016
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We believe that Dr. Russell is qualified to serve on our board of directors due to her business and drug development experience, her service on other public company boards and her knowledge of our industry.

Stephen Buckley, Jr. Age: 67	<i>Stephen Buckley, Jr.</i> , was elected to our board of directors in 2012. Mr. Buckley was for 25 years a partner of Ernst & Young, where he led assurance and advisory teams serving public and private companies in life sciences and other technologies. Mr. Buckley led Ernst & Young's Life Sciences Industry Practice of New England from 1991 to 2006, and was Director of its New England Entrepreneurial Services Group from 1991 to 2001. He was previously a partner in the Boston, Massachusetts office of Arthur Young until its merger into Ernst & Young in 1989. Mr. Buckley is a member of the American Institute of CPAs. Mr. Buckley received an A.B. from Bowdoin College and a Master of Science in Accounting from Northeastern University.	2012
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We believe that Mr. Buckley is qualified to serve on our board of directors due to his experience working with public and private companies in our industry on corporate finance and accounting matters.

WE RECOMMEND A VOTE FOR EACH OF OUR TWO CLASS I DIRECTOR NOMINEES

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PROPOSAL 2

APPROVAL OF PERFORMANCE MEASURES IN THE 2012 EQUITY INCENTIVE PLAN

FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 162(m)

Our 2012 Equity Incentive Plan, referred to as the 2012 Equity Plan, is an important part of our compensation program and we believe it is essential to our ability to attract and retain highly qualified employees in an extremely competitive environment in which employees view equity incentive awards as an important component of their compensation. Our Compensation Committee intends to continue to make such awards under the 2012 Equity Plan as it considers desirable to provide appropriate incentive to our employees, including our Chief Executive Officer and the next four highest paid executive officers (each, a covered employee), with the intention of also satisfying Section 162(m) of the Internal Revenue Code of 1986, as amended, with respect to such awards whenever possible.

We are asking stockholders to approve the performance measures in the 2012 Equity Plan in order to comply with the requirements of Section 162(m) of the Internal Revenue Code so that equity awards under the plan to covered employees are exempt from the limitations of Section 162(m).

The closing price of our common stock on the NASDAQ Stock Market on December 1, 2016 was \$31.24 per share. The material terms of the 2012 Equity Plan are set forth below.

General Description of 2012 Equity Plan

The purpose of the 2012 Equity Plan is to attract and retain employees, directors and consultants and to provide an incentive for these individuals to achieve long-range performance goals. The 2012 Equity Plan permits us to grant equity awards to our employees, directors and consultants, including incentive and non-statutory stock options, stock appreciation rights, performance shares, restricted stock and stock units. Under the 2012 Equity Plan to date, we have granted only incentive stock options, non-statutory stock options and restricted stock units, including performance share units and relative total stockholder return units.

As of December 1, 2016, 84 employees were eligible to participate in the 2012 Equity Plan. As of that date, a total of 1,912,264 shares were reserved for outstanding stock options and 112,460 shares were reserved for outstanding restricted stock unit awards under the 2012 Equity Plan. In addition, as of that date a total of 194,100 shares were reserved for potential issuance pursuant to performance-based and market-based stock unit awards. The Company has issued 12,951 shares of common stock upon option holders exercising options awarded under the 2012 Equity Plan through December 1, 2016. In addition, under the terms of the 2012 Equity Plan, at the beginning of each of our fiscal years an additional number of shares is automatically added to the reserve of shares available for issuance under the plan. The number of shares added is equal to the LESSER of (i) 3% of the outstanding shares on such date, (ii) 2,088,167 shares of Common Stock, or (iii) an amount determined by the Compensation Committee. For example, as of October 1, 2016, based on 3% of the outstanding shares of our common stock on that date, 571,077 shares of common stock were added to the shares available for future awards. Additionally, while no further awards have been made under our Amended and Restated 1995 Equity Incentive Plan, referred to as the 1995 Equity Plan, since our initial public offering in March 2013, shares subject to options that were granted under that plan and that are forfeited or that expire unexercised are then added to the shares available for issuance under the 2012 Equity Plan. To date we have had 28,871 shares added to the 2012 Plan from such forfeitures. There remain 455,649 shares subject to outstanding options awarded under the 1995 Equity Plan, which have exercise prices ranging from \$1.21 to \$14.18 per share.

Outstanding options awarded under the 2012 Equity Plan have exercise prices ranging from \$17.70 to \$49.92 per share. The weighted average exercise price of all outstanding options is \$33.19 per share. All options granted under the 2012 Equity Plan have a term of ten years. As the amount of any awards under the 2012 Equity Plan is within the Compensation Committee's discretion, total awards that may be granted for a fiscal year are not determinable until completion of the year.

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The following table sets forth shares underlying stock option, restricted stock unit and performance-based and market-based stock unit awards granted under the 2012 Equity Plan and unexercised or not settled, as the case may be, as of December 1, 2016:

Total Awards Under the 2012 Equity Incentive Plan

	Number of Shares of Common Stock Underlying Options/Units	
Current executive officers:		
Jay R. Luly, Ph.D.	627,538	(a)
Yat Sun Or, Ph.D.	264,577	(b)
Paul J. Mellett	291,277	(c)
Current executive officers as a group (6 persons)	1,744,392	(d)
Current non-executive officer directors as a group (6 persons)	147,722	
Other Enanta employees as a group	326,710	
Total Awards through December 1, 2016	2,218,824	(d)

- (a) Includes a total of 77,000 shares subject to performance-based and market-based stock unit awards, which will only vest upon achievement of specified milestones over the corresponding performance period.
- (b) Includes a total of 27,600 shares subject to performance-based and market-based stock unit awards, which will only vest upon achievement of specified milestones over the corresponding performance period.
- (c) Includes a total of 24,500 shares subject to performance-based and market-based stock unit awards, which will only vest upon achievement of specified milestones over the corresponding performance period.
- (d) Includes a total of 194,100 shares subject to performance-based and market-based stock unit awards, which will only vest upon achievement of specified milestones over the corresponding performance period.

Administration and Eligibility

Awards are made by the Compensation Committee, which has been designated by our Board of Directors to administer the 2012 Equity Plan. Subject to certain limitations, the Compensation Committee may delegate to one or more of our executive officers the power to make awards to participants who are not subject to Section 16 of the Securities Exchange Act of 1934 and are not covered employees for purposes of Internal Revenue Code Section 162(m). The Compensation Committee has authorized our Chief Executive Officer to make awards to non-executive employees within parameters approved by the Committee.

The Compensation Committee administers the 2012 Equity Plan and determines the terms and conditions of each stock option award to our executive officers and directors, including the exercise price, the form of payment of the exercise price, the number of shares subject to the award and the time at which such options become exercisable. The exercise price of any stock option granted under the 2012 Equity Plan may not, however, be less than the fair market value of the common stock on the date of grant and the term of any such option cannot be greater than ten years. The maximum number of shares of Common Stock with respect to which awards may be granted to any participant under the 2012 Equity Plan is 1,392,111 per calendar year. The Compensation Committee also determines the terms and

conditions of each full value award to our executive officers and directors, including the number of shares subject to the award and the time or times at which such options become exercisable and are issued, and the terms of any withholding of shares or other provisions to satisfy tax withholding requirements.

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Awards

The 2012 Equity Plan provides for the following categories of awards:

Stock Options. Our Compensation Committee may grant options to purchase shares of common stock that are either incentive stock options, or ISOs, eligible for the special tax treatment described below, or nonstatutory stock options. No option may have an exercise price that is less than the fair market value of the common stock on the date of grant or a term of more than ten years. An option may be exercised by the payment of the option price in cash or with such other lawful consideration as our Compensation Committee may determine, including by delivery of a note or shares of common stock owned by the optionholder, including restricted stock, or by retaining shares otherwise issuable pursuant to the option, in each case valued at their fair market value on the date of delivery or retention.

Restricted Stock. Our Compensation Committee may grant shares of common stock that are only earned if specified conditions, such as a completing a term of employment or satisfying pre-established performance goals, are met and that are otherwise subject to forfeiture. Shares of restricted stock may not be sold, transferred or otherwise encumbered until earned, unless the Compensation Committee provides otherwise.

Restricted Stock Units. Our Compensation Committee may grant units that represent the right to receive shares of our common stock, subject to such terms, restrictions, conditions, performance criteria, vesting requirements, settlement terms, and payment rules, if any, as the Committee shall determine.

Unrestricted Stock. Our Compensation Committee may grant shares of common stock that are not subject to restrictions or forfeiture.

Stock Appreciation Rights. Our Compensation Committee may grant stock appreciation rights, or SARs, where the participant receives cash, shares of common stock, or other property, or a combination thereof, as determined by the Compensation Committee, equal in value to the difference between the exercise price of the SAR and the fair market value of the common stock on the date of exercise. SARs may be granted in tandem with options (at or after award of the option) or alone and unrelated to an option. SARs in tandem with an option shall terminate to the extent that the related option is exercised, and the related option shall terminate to the extent that the tandem SARs are exercised. SARs granted in tandem with options shall have an exercise price not less than the exercise price of the related option. SARs granted alone and unrelated to an option shall have an exercise price not less than 100% of the Fair Market Value of the common stock on the date of award may be granted at such exercise prices as the Committee may determine. The Committee shall determine the manner of calculating the excess in value of the shares of common stock over the exercise price of a SAR.

Federal Income Tax Consequences Relating to Stock Options and Restricted Stock

Incentive Stock Options. An optionee does not realize taxable income upon the grant or exercise of an incentive stock option, known as an ISO, under the 2012 Equity Plan. If no disposition of shares issued to an optionee pursuant to the exercise of an ISO is made by the optionee within two years from the date of grant or within one year from the date of exercise, then (a) upon sale of such shares, any amount realized in excess of the option price (the amount paid for the shares) is taxed to the optionee as a capital gain and any loss sustained will be a capital loss and (b) no deduction is allowed to Enanta for Federal income tax purposes. The exercise of ISOs gives rise to an adjustment in computing alternative minimum taxable income that may result in alternative minimum tax liability for the optionee.

If shares of common stock acquired upon the exercise of an ISO are disposed of prior to the expiration of the two-year and one-year holding periods described above, referred to as a disqualifying disposition, then (a) the optionee realizes

ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the shares at exercise (or, if less, the amount realized on a sale of such shares) over the option price thereof and (b) Enanta is entitled to deduct this amount. Any further gain realized is taxed as a capital gain and does not result in any deduction to Enanta. A disqualifying disposition in the year of exercise will generally avoid the alternative minimum tax consequences of the exercise of an ISO.

Non-statutory Stock Options. No income is realized by the optionee at the time a non-statutory option is granted. Upon exercise, (a) ordinary income is realized by the optionee in an amount equal to the difference between the option price and the fair market value of the shares on the date of exercise and (b) Enanta receives a tax deduction for the same amount. Upon disposition of the shares, appreciation or depreciation after the date of exercise is treated as a capital gain or loss and will not result in any deduction by Enanta.

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Restricted Stock. Awards of restricted stock that are non-transferable and subject to forfeiture are generally not taxable to the recipient until the shares vest. When the shares vest, the recipient realizes compensation income equal to the difference between the amount paid for the shares and their fair market value at the time of the vesting, and we are entitled to a corresponding deduction. Appreciation in the value of the shares during the vesting period therefore increases the income subject to tax at ordinary income rates at the time of vesting as well as the corresponding deduction we are entitled to take at that time. The tax is payable for the year in which the vesting occurs, regardless of whether the shares are sold at that time. If the recipient is an employee, Enanta is required to withhold income and social security taxes from the compensation income (by withholding from shares, from other income of the employee or from a cash payment made by the employee to Enanta to cover the withholding taxes).

Instead of being taxed when the shares vest, a recipient may elect to be taxed in the year the shares are awarded by filing a Section 83(b) election with the Internal Revenue Service within 30 days after issuance of the restricted shares. The recipient then realizes compensation income in the year of the award equal to the difference between the amount paid for the shares and their fair market value at the time of issuance, and we are entitled to a corresponding deduction at that time.

Unrestricted Stock. Generally, a recipient will be taxed at the time of the grant of the award. The fair market value of the shares at that time will be treated as ordinary income. We receive a tax deduction for the amount reported as ordinary income to the recipient subject to the limitations of Internal Revenue Code Section 162(m). Upon disposition of the shares, any appreciation or depreciation after the taxable event is treated as short- or long- term capital gain or loss and will not result in any further deduction by us.

Restricted Stock Units. A recipient does not realize taxable income upon the grant or vesting of a restricted stock unit. When a stock unit is settled, i.e. when the underlying share of common stock is issued to the unitholder, the unitholder must include as ordinary income an amount equal to the fair market value of the shares (or the amount of cash) distributed to settle the award. Subject to the limitations of Internal Revenue Code Section 162(m), we receive a corresponding tax deduction at the time of settlement. If the award is settled in shares, then any subsequent appreciation or depreciation is treated as short- or long-term capital gain or loss and will not result in any further deduction by us.

Compliance with the Performance-Based Exemption of Internal Revenue Code Section 162(m)

United States tax laws generally do not allow publicly-held companies to obtain tax deductions for compensation of more than \$1 million accrued in any year with respect to any of the chief executive officer and the next four highest paid executive officers (each, a covered employee) unless the compensation is performance- based as defined in Internal Revenue Code Section 162(m). Stock options and SARs granted under an equity compensation plan are performance-based compensation if (a) stockholders approve a maximum aggregate per person limit on the number of shares that may be granted each year (the Annual Share Limit), (b) any stock options or SARs are granted by a committee consisting solely of outside directors, and (c) the stock options or SARs have an exercise price that is not less than the fair value of common stock on the date of grant.

Our Compensation Committee has designed the 2012 Equity Plan with the intention of satisfying Section 162(m) with respect to stock options and SARs, if any, granted to covered employees.

In the case of restricted stock and restricted stock units, Section 162(m) requires that the general business criteria of any performance measures that are established by our Compensation Committee be approved and periodically reapproved by stockholders (generally, every five years) in order for such awards to be considered performance- based and deductible by the employer. The performance goals must be established within a prescribed time frame

commencing at the beginning of the relevant performance period. Furthermore, satisfaction of any performance goals during the relevant performance period must be certified by our Compensation Committee.

The 2012 Equity Plan, as previously approved by our stockholders, has the following list of business criteria upon which our Compensation Committee may establish objective performance measures, which shall be based on the relative or absolute attainment of specified levels of one or any combination of such criteria, for deductible performance-based awards made to covered employees, which may be determined pursuant to generally accepted accounting principles, known as *GAAP*, or on a non-*GAAP* basis, as determined by the Committee: scientific progress, product development progress, business development progress, including in-licensing or out-licensing of

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intellectual property, net income/(loss), earnings/(loss) before or after discontinued operations, interest, taxes, depreciation and/or amortization, operating profit/(loss) before or after discontinued operations and/or taxes, sales, sales growth, earnings growth, cash flow or cash position, gross margins, stock price, financings (issuance of debt or equity), refinancings, market share, return on sales, assets, equity or investment, improvement of financial ratings, 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 effects of changes in accounting principles, (iv) the write-down of any asset, (v) fluctuation in foreign currency exchange rates, and (vi) charges for restructuring and rationalization programs. Performance goals may be particular to a participant or may be based, in whole or in part, on the performance of the division, department, line of business, subsidiary, or other business unit in which the participant works, or on the performance of the Company as a whole. The Compensation Committee has the authority to reduce (but not to increase) the amount payable at any given level of performance to take into account factors that the Compensation Committee may deem relevant.

Equity Compensation Plan Information

The following table provides information about the securities authorized for issuance under the Company's equity compensation plans as of September 30, 2016:

Equity Compensation Plan Information

Plan Category	Number of securities		Number of securities
	to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	1,992,506	\$ 28.75	673,520 ⁽²⁾
Equity compensation plans not approved by security holders			
Totals	1,992,506		673,520

(1) Consists of the 2012 Equity Plan, as amended, and the Company's Employee Stock Purchase Plan.

(2) Includes 185,614 shares issuable under the Employee Stock Purchase Plan. The remaining shares consist of 487,906 shares issuable under the 2012 Equity Plan. Does not include an additional 571,077 shares of common stock that were added to the shares available for future awards under the 2012 Equity Plan as of October 1, 2016 pursuant to the plan's provision for automatic annual increases. These plans may be amended, suspended, or terminated by the Compensation Committee of the Board of Directors at any time, subject to any required stockholder approval.

Proposed Approval of the Performance Goals of the 2012 Equity Plan

We are seeking stockholder approval of the Compensation Committee's right to develop performance goals based upon the business criteria noted above for any future awards of restricted stock or restricted stock units to any of our covered employees. Stockholder approval of these business criteria will enable us to realize a full income tax deduction for these awards under the 2012 Equity Plan where the deduction would otherwise be restricted by Internal Revenue Code Section 162(m).

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The preceding summary is qualified in its entirety by reference to the full text of the 2012 Equity Plan, as amended by our Board of Directors and subject to stockholder approval, which has been filed with the SEC and will be made available upon written request to Enanta Pharmaceuticals, Inc., Watertown, Massachusetts 02472, Attn: Investor Relations.

Votes Required

The affirmative vote of a majority of the shares represented in person or by proxy at the annual meeting and entitled to vote on this proposal will constitute the approval of the 2012 Equity Plan for purposes of Section 162(m). Abstentions will count as votes against the amendment and broker non-votes will not be counted.

**WE RECOMMEND A VOTE FOR APPROVAL OF THE PERFORMANCE MEASURES
IN THE 2012 EQUITY PLAN**

PROPOSAL 3

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The firm of PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited our financial statements for each of the years ended September 30, 2016, 2015 and 2014. Our Audit Committee has appointed them to serve as our auditors for the fiscal year ending September 30, 2017. Detailed disclosure of the audit and tax fees we paid to PricewaterhouseCoopers LLP in 2016 and 2015 may be found in **Audit Fees** below. Based on these disclosures and information in the Audit Committee Report provided elsewhere in this proxy statement, our Audit Committee is satisfied that PricewaterhouseCoopers LLP is sufficiently independent of management to perform its duties properly. Although not legally required to do so, our Board considers it desirable to seek, and recommends, stockholder ratification of our selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2017. If the stockholders fail to ratify our selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interest of Enanta and its stockholders.

**WE RECOMMEND A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF
PRICEWATERHOUSECOOPERS LLP**

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CORPORATE GOVERNANCE

Board and Committee Matters

Board Leadership and Independence. Our Board of Directors has determined that Bruce L.A. Carter, Ph.D., who is standing for re-election as a director, as well as those directors continuing their terms after the 2017 Annual Meeting, are independent directors as defined by applicable NASDAQ Stock Market standards governing the independence of directors. Jay R. Luly, Ph.D., our President and Chief Executive Officer who is also standing for re-election, is not considered independent. Dr. Carter has served as our non-executive Chairman of the Board since December 2015. Dr. Luly continues to be responsible for setting the strategic direction for our Company and the day-to-day leadership and performance of the Company. Ernst-Günter Afting, M.D., Ph.D. has decided to retire as a director, effective as of February 15, 2017, after more than twenty years of valued service to Enanta.

Board Meetings and Committees. Our Board of Directors held 5 meetings during 2016, and the independent directors held executive sessions at 4 of the meetings of the Board. During 2016, each of the directors then in office attended at least 75% of the aggregate of all meetings of the Board of Directors and all meetings of the committees of the Board of Directors on which such director then served. Continuing directors and nominees for election as directors in a given year are required to attend the annual meeting of stockholders, barring significant commitments or special circumstances. All of our directors then serving as directors attended our 2016 annual meeting of stockholders, except for Dr. Carter, who had planned to attend but could not due to travel delays.

Stockholder Communications. Any stockholder wishing to communicate with our Board of Directors, a particular director or the chair of any committee of the Board of Directors may do so by sending written correspondence to our principal executive offices, to the attention of the Chairman of the Board. All such communications will be delivered to the Board of Directors or the applicable director or committee chair.

During 2016, our Board of Directors had three standing committees: Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Audit Committee.

Our Audit Committee's responsibilities include:

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

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

reviewing and discussing with management and the registered public accounting firm our annual and quarterly financial statements and related disclosures;

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

overseeing our risk assessment and risk management policies;

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

meeting independently with our registered public accounting firm and with our management;

reviewing and approving or ratifying any related person transactions; and

preparing the Audit Committee Report required by Securities and Exchange Commission, or SEC, rules. The members of our Audit Committee during 2016 were Dr. Afting and Messrs. Buckley and Vance. Mr. Buckley chairs our Audit Committee, and Dr. Russell has been elected a member of the committee as of January 1, 2017. All members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and NASDAQ. Our Board has determined that Mr. Buckley is an Audit Committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of NASDAQ. Our Board has determined that each of Drs. Afting

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and Russell and Messrs. Buckley and Vance are independent under the applicable rules of NASDAQ and under the applicable rules of the SEC. The Audit Committee held 5 meetings during 2016. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and NASDAQ. A copy of the Audit Committee charter is available in the Investors Corporate Governance section of the Company's website at www.enanta.com.

Compensation Committee.

Our Compensation Committee's responsibilities include:

annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;

reviewing and approving, or making recommendations to our board of directors with respect to, the compensation of our chief executive officer and our other executive officers;

overseeing an evaluation of our senior executives;

overseeing and administering our cash and equity incentive plans;

reviewing and making recommendations to our board of directors with respect to director compensation; and

reviewing and discussing annually with management our executive compensation disclosure, and the Compensation Committee Report, required by SEC rules.

The current members of our Compensation Committee are Drs. Carter and Golumbeski and Mr. Vance. Dr. Golumbeski chairs our Compensation Committee. None of the members of our Compensation Committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board or Compensation Committee of any entity that has one or more executive officers on our Board or Compensation Committee. Each of the members of our Compensation Committee is independent under the applicable rules and regulations of NASDAQ, is a non-employee director as defined in Rule 16b-3 promulgated under the Exchange Act and is an outside director as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m). The Compensation Committee held 7 meetings during 2016. The Compensation Committee operates under a written charter adopted by the Board, which is available in the Investors Corporate Governance section of our website at www.enanta.com.

Nominating and Corporate Governance Committee.

Our Nominating and Corporate Governance Committee's responsibilities include:

identifying individuals qualified to become members of our board of directors;

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

reviewing and making recommendations to our board of directors with respect to our board leadership structure;

reviewing and making recommendations to our board of directors with respect to management succession planning;

developing and recommending to our board corporate governance principles; and

overseeing an annual self-evaluation by our board of directors.

The current members of our Nominating and Corporate Governance Committee are our independent directors, namely Drs. Afting, Carter, Golumbeski and Russell and Messrs. Buckley and Vance. Mr. Vance chairs the Nominating and Corporate Governance Committee. Each of the members of our Nominating and Corporate Governance Committee is an independent director under the applicable rules and regulations of NASDAQ relating to Nominating and Corporate Governance Committee independence. The Committee held one meeting during 2016. The Nominating and Corporate Governance Committee operates pursuant to a written charter, which is available in the Investors' Corporate Governance section of our website at www.enanta.com.

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The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and the Chief Executive Officer. In 2013 it also established a subcommittee consisting of Messrs. Vance and Buckley (the Nominating Subcommittee) to work with an independent recruiting firm and Dr. Luly to help identify and recruit additional candidates, which resulted in the recruitment of Drs. Carter and Golumbeski. Additionally, in selecting nominees for directors, the Nominating and Corporate Governance Committee will review candidates recommended by stockholders in the same manner and using the same general criteria as candidates recruited by the committee and/or recommended by the Board. Any stockholder who wishes to recommend a candidate for consideration by the committee as a nominee for director should follow the procedures described later in this proxy statement under the heading Stockholder Matters-Stockholder Recommendations for Director Nominations. The Nominating Subcommittee will also consider whether to nominate any person proposed by a stockholder in accordance with the provisions of our bylaws relating to stockholder nominations as described later in this proxy statement under the heading Stockholder Matters-Deadline for Stockholder Proposals and Director Nominations.

The process used by the Nominating Subcommittee in 2013 is representative of the process the Board used to recruit Dr. Russell in 2016 and is likely to be the process for any future director searches. In 2013, the Nominating Subcommittee started the director search process by identifying a mix of types of experience and personal characteristics that the Nominating Subcommittee considered most valuable to complement the skills and experience of existing directors. Once the Nominating Subcommittee had identified prospective nominees, the Subcommittee then made an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination was based on the information provided to the Subcommittee in a report from the recruiting firm, as well as the Subcommittee's own knowledge of the prospective candidate. The preliminary determinations were based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee could satisfy the evaluation factors described below. The Subcommittee then evaluated the prospective nominees against the standards and qualifications set out in our Corporate Governance Guidelines, which include among others:

the extent to which the prospective nominee's skills, experience and perspective add to the range of talent appropriate for the Board and whether such attributes are relevant to our business and industry;

the prospective nominee's ability to dedicate the time and resources sufficient for the diligent performance of Board duties;

whether the prospective nominee meets the independence requirements and Audit Committee and Compensation Committee qualifications defined under applicable NASDAQ Stock Market standards and if appropriate, the Audit Committee financial expert requirements defined under applicable SEC rules and regulations; and

the extent to which the prospective nominee holds any position that would conflict with a director's responsibilities to Enanta.

Although the Committee does not have a formal policy for considering diversity in identifying nominees for director, it has sought a variety of occupational and personal backgrounds on the Board in order to obtain a range of viewpoints, perspectives and skills.

If the Nominating Subcommittee's initial evaluation was positive, the members of the Nominating Subcommittee each interviewed the candidate. Upon completion of this evaluation and interview process, the Nominating Subcommittee made a recommendation to the full Board as to whether the candidate should be nominated by the Board and invited other directors to interview the candidate in person or by phone. The Board then determined whether to approve the nominee after considering the recommendation and report of the Nominating Subcommittee.

In November 2016, the Nominating and Corporate Governance Committee established a new subcommittee (the Nominating Committee) for the purpose of determining the director nominees for election at the annual meeting of stockholders. The 2017 Nominating Committee consists of Messrs. Vance and Buckley and Dr. Golumbeski, who are all independent directors whose terms are not expiring at the 2017 annual meeting. In December 2016, the 2017 Nominating Committee approved the director nominees for election at the 2017 annual meeting.

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Risk Oversight. The Board's role in our risk oversight process includes receiving reports from time to time from the Audit Committee on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks.

Certain Relationships and Related Transactions***Policy on Related Person Transactions***

Our Board of Directors has adopted a written Policy on Related Person Transactions that sets forth our policies and procedures for the reporting, review, and approval or ratification of each related person transaction. Our Audit Committee is responsible for implementing this policy and determining that any related person transaction is in our best interests. The policy applies to transactions and other relationships that would need to be disclosed in this proxy statement as related person transactions pursuant to SEC rules. In general, these transactions and relationships are defined as those involving a direct or indirect interest of any of our executive officers, directors, nominees for director and 5% stockholders, as well as specified members of the family or household of any of these individuals or stockholders, where we or any of our affiliates have participated in the transaction (either as a direct party or by arranging the transaction) and the transaction involves more than \$120,000. In adopting this policy, our Board expressly excluded from its coverage any transactions, among others, involving compensation of our executive officers or directors that it or our Compensation Committee has expressly approved.

Our ongoing collaboration with AbbVie is governed by our collaboration agreement entered into in 2006, which included AbbVie's purchase of stock that now constitutes 5.63% of our outstanding common stock as of December 1, 2016. The collaboration agreement was amended in fiscal 2015, primarily to confirm the portions of the net sales of AbbVie's combination therapies for hepatitis C virus infection that will be allocated to one of our collaboration's protease inhibitors for purposes of calculating our previously agreed royalties. We have not engaged in any other transactions with related persons since the beginning of our 2015 fiscal year.

Compensation Committee Interlocks and Insider Participation

During 2016, the Compensation Committee members were Mr. Vance and Drs. Carter and Golumbeski, none of whom currently is, or formerly was, an officer or employee of Enanta. None of our executive officers served as a member of the Board of Directors or Compensation Committee of any other company that had one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

EXECUTIVE OFFICERS

The following section provides biographical information as of December 1, 2016 about our current executive officers:

Name	Age	Position
Jay R. Luly, Ph.D.	60	President and Chief Executive Officer
Yat Sun Or, Ph.D.	64	Senior Vice President, Research & Development and Chief Scientific Officer
Nathalie Adda, M.D.	51	Senior Vice President and Chief Medical Officer
Paul J. Mellett	61	Senior Vice President, Finance & Administration and Chief Financial Officer
Timothy D. Ocain, Ph.D.	59	Senior Vice President, New Product Strategy and Development
Nathaniel S. Gardiner, J.D.	63	Senior Vice President and General Counsel

Jay R. Luly, Ph.D., has served as our President and Chief Executive Officer and as a member of our board of directors since July 2003. Prior to joining Enanta, Dr. Luly was an Entrepreneur in Residence at Oxford Bioscience Partners. Before joining Oxford in March 2002, Dr. Luly held the positions of Senior Vice President, Research and Development Operations and Senior Vice President, Discovery Strategy and Operations at Millennium

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Pharmaceuticals following Millennium's merger with LeukoSite, Inc., where he had served as Senior Vice President, Drug Discovery and Preclinical Development. Prior to joining LeukoSite, he held a number of senior drug discovery positions at Abbott Laboratories from 1983 to 1997. Dr. Luly received a B.S. from the University of Illinois, Urbana/Champaign and a Ph.D. in synthetic organic chemistry from the University of California, Berkeley.

Yat Sun Or, Ph.D., has been our Senior Vice President, Research and Development and Chief Scientific Officer since November 1999. Prior to joining Enanta, Dr. Or held key leadership positions at Abbott Laboratories from 1985 to 1999, where he received two Chairman's Awards for his outstanding research, which led to the discovery and development of immunosuppressant and antibacterial drugs. Prior to Abbott, Dr. Or was a member of the cardiovascular drug discovery team at Schering-Plough. Dr. Or received his Ph.D. in Organic Chemistry from the University of Chicago and completed Postdoctoral Fellowships at Ohio State University and Indiana University.

Nathalie Adda, M.D., has been our Senior Vice President and Chief Medical Officer since June 2015. Prior to joining Enanta, Dr. Adda was Chief Medical Officer, VP Clinical Development, Medical and Regulatory Affairs at Transgene SA, where she led the Oncology and Infectious Disease programs since 2012. From 2006 to 2012, she was Senior Medical Director and the medical lead for the Incivek® (telaprevir) Clinical Program at Vertex Pharmaceuticals, Inc. Earlier in her career, Dr. Adda held medical and research positions at Gilead, Triangle Pharmaceuticals and Boehringer Ingelheim, where she worked on programs for infectious diseases such as human immunodeficiency virus, hepatitis B virus and hepatitis C virus. Dr. Adda is a graduate of the University of Paris, where she received a Doctorate in Medicine, as well as a Master's Degree in Biostatistics, and where she did post-graduate work in infectious diseases.

Paul J. Mellett has served as our Senior Vice President, Finance & Administration and Chief Financial Officer since September 2003. From April 2001 through August 2003, he held the position of Senior Vice President and Chief Financial Officer of Essential Therapeutics, Inc., a publicly-held biotechnology company that filed for reorganization under Chapter 11 of the U.S. bankruptcy code and was reorganized and taken private in October 2003. Previously, Mr. Mellett was the Chief Financial Officer and Vice President of Administration at GelTex Pharmaceuticals, Inc., a publicly held biotechnology company that was acquired by Genzyme Corporation in December 2000. From 1994 to 1997, Mr. Mellett served as Chief Financial Officer of Marshall Contractors, a construction management firm specializing in the pharmaceutical, biotechnology and semiconductor industries, which was acquired by Fluor Corporation in 1996. From 1977 to 1994, Mr. Mellett was employed with Deloitte & Touche LLP, a public accounting firm, and was promoted to Audit Partner in 1989. Mr. Mellett received a B.S. in Business Administration from Boston College in 1977.

Timothy D. Ocain, Ph.D. has served as our Senior Vice President, New Product Strategy and Development since January 2014. Previously Dr. Ocain had been a consultant to us since March 2012, while he was an independent biotechnology consultant providing consulting services to a variety of companies. From 2006 to 2009, Dr. Ocain was a member of the executive team and Senior Vice President, Research and Development at Seaside Therapeutics, a company focused on neurodevelopmental disorders. Previously, he worked at Millennium Pharmaceuticals from 1998 to 2006 and held positions of increasing responsibility in drug discovery, program management and mostly recently held the position of Vice President, Inflammation Discovery. Before that he worked in drug discovery at Procept, Inc. and at Wyeth-Ayerst Research. Dr. Ocain received his B.S. in Biological Sciences from the University of Wisconsin-Eau Claire and his Ph.D. in Pharmaceutical Chemistry from the University of Wisconsin-Madison, and completed his post-Doctoral Fellowship in Chemistry at the University of Minnesota.

Nathaniel S. Gardiner, J.D., has served as our Senior Vice President and General Counsel since May 2014 and has served as the Secretary of Enanta since 1995. Previously Mr. Gardiner was a corporate and securities law partner for 25 years, most recently at Edwards Wildman Palmer LLP since October 2011, previously at Edwards Angell

Palmer & Dodge LLP since November 2005, and before that at Palmer & Dodge LLP, where he represented Enanta and several other biotechnology companies. Mr. Gardiner received his A.B. from Harvard College and his J.D. from the University of Virginia School of Law.

Table of Contents**EXECUTIVE COMPENSATION**

The discussion and tabular disclosure that follows describes our executive compensation program during the fiscal years ended September 30, 2016 and 2015, relating to Jay R. Luly, Ph.D., our President and Chief Executive Officer; Yat Sun Or, Ph.D., our Senior Vice President, Research & Development and Chief Scientific Officer; and Paul J. Mellett, our Senior Vice President, Finance & Administration and Chief Financial Officer.

Summary Compensation Table

The following table sets forth information regarding compensation earned during 2016 and 2015 by our Chief Executive Officer, our Chief Scientific Officer and our Chief Financial Officer, who were our three most highly compensated executive officers in 2016. Collectively, the persons for whom information is provided below are referred to in this proxy statement as our Named Executive Officers :

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity	All	Total Compensation (\$)
						Incentive Plan Compensation (\$) ⁽⁴⁾	Other Compensation (\$) ⁽⁵⁾	
Jay R. Luly, Ph.D. <i>President and Chief Executive Officer</i>	2016	542,393		404,953	2,182,686	309,585	15,857	3,455,474
	2015	520,748	286,411	225,335	2,518,566		15,706	3,566,766
Yat Sun Or, Ph.D. <i>Senior Vice President, Research & Development and Chief Scientific Officer</i>	2016	386,069	114,633	122,428	654,806	48,078	15,857	1,341,871
	2015	374,825	151,030	96,762	1,078,330		15,706	1,716,653
Paul J. Mellett <i>Senior Vice President, Finance & Administration and Chief Financial Officer</i>	2016	359,930	93,893	108,301	595,278	43,503	15,857	1,216,762
	2015	344,862	122,542	86,158	960,157		15,706	1,529,425

- (1) The amounts shown in the Bonus column represent the portion of annual variable cash compensation awarded based upon the discretion of our Compensation Committee based primarily on individual performance.
- (2) The amounts in the Stock Awards column reflect the grant date value of relative total stockholder return units, or rTSRUs, awarded during the fiscal year, computed in accordance with the provisions of ASC 718. The fair values for rTSRU awards are estimated as of the date of grant using a lattice model with a Monte Carlo simulation. Assumptions used in this calculation are included on page F-23 in Footnote 10 of our 2016 Annual Report on Form 10-K. The amounts do not include any value for performance share units, or PSUs, awarded during the fiscal year because it was not probable at the date of grant that the awards would ultimately vest. There was no compensation expense related to these awards as none of the performance-based targets was probable of being achieved during the year. Further details on these awards and how the grant date fair values are determined can be found in the Outstanding Equity Awards at Fiscal Year-End 2016 Table. The values of the maximum payout possible for the 2016 and 2015 rTSRU awards based on the value at the respective dates of grant and the maximum number of units issuable based on performance for Dr. Luly would be \$809,906 and \$450,670,

respectively, for Dr. Or would be \$244,856 and \$193,523, respectively, and for Mr. Mellett would be \$216,602 and \$172,315, respectively. The values of the maximum payout possible for the 2016 and 2015 PSU awards based on the value at the respective dates of grant and the maximum number of units issuable based on performance for Dr. Luly would be \$688,860 and \$610,300, respectively, for Dr. Or would be \$208,260 and \$262,070, respectively, and for Mr. Mellett would be \$184,230 and \$233,350, respectively.

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- (3) The amounts in the Option Awards column reflect the aggregate grant date fair value of stock options granted during the fiscal year computed in accordance with the provisions of ASC 718.
- (4) The amounts shown in this column represent the portion of annual variable cash compensation payable based on corporate achievement of pre-determined corporate performance objectives for the year.
- (5) Includes employer matching contributions under our 401(k) plan of \$13,250 and \$13,188 for each of our named executive officers in 2016 and 2015, respectively. Also includes company-paid premiums for group term life insurance, short term disability and accidental death and dismemberment insurance and reimbursement for the cost of long-term disability insurance in the aggregate amounts of \$2,607 and \$2,518 for each of our named executive officers in fiscal 2016 and 2015, respectively.

Narrative Disclosure to Summary Compensation Table

Executive Compensation Elements

The following describes the material terms of the elements of our executive compensation program during 2016.

2016 Base Salaries

As of October 1, 2015 the base salaries of Dr. Luly, Dr. Or. and Mr. Mellett salaries were at \$530,457, \$377,574 and \$352,010, respectively. As of January 1, 2016 their respective base salaries were increased by three percent. After giving effect to this increase, the base salaries of Dr. Luly, Dr. Or and Mr. Mellett were \$546,371, \$388,901 and \$362,570, respectively.

2016 Variable Compensation

Each named executive officer is eligible for variable compensation based upon the achievement of certain corporate performance objectives approved by our Compensation Committee and, in the case of executives other than our chief executive officer, individual performance. Our chief executive officer's variable compensation is based entirely on the company's performance relative to the corporate objectives.

The target level of variable compensation is set as a percentage of the executive officer's base salary. During 2016 Dr. Luly, Dr. Or and Mr. Mellett were eligible for targeted performance bonuses of 55%, 40% and 40% of their respective base salaries.

At the beginning of each year, our Compensation Committee, after considering the recommendations of management and our overall strategic goals, sets our corporate objectives for the year and the proportional emphasis placed on each objective. These objectives generally relate to factors such as research and development objectives and other factors primarily within management's control. Our Compensation Committee determines the level of achievement of the corporate objectives for each year. This achievement level is then applied to the portion of each named executive officer's target bonus determined by corporate performance for that year. In the case of our named executive officers other than our chief executive officer, 30% of the annual variable compensation in 2016 was based on corporate performance and 70% was based on individual performance.

All final variable cash compensation paid to our named executive officers is determined by our Compensation Committee, which retains full discretion to adjust individual target awards. The actual variable cash compensation, if any, awarded in a given year may vary above or below target, depending on individual performance and the achievement of corporate objectives and may also vary based on other factors at the discretion of our Compensation Committee. However, actual variable cash compensation would normally only exceed the target percentage for the executive if there were extraordinary performance during the year, as determined by our Compensation Committee.

For 2016, the corporate performance objectives generally fell into the categories of progress of the research and development pipeline, exploration of external augmentation of pipeline, expansion of the leadership team and investor relations. In evaluating management's corporate performance compared to the performance objectives for

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2016, our Compensation Committee determined to award a corporate achievement level of 105%. This achievement level was then used to determine our chief executive officer's variable cash compensation and a portion of each named executive officer's variable cash compensation. The variable cash compensation paid to our named executive officers for 2016 are set forth in the Summary Compensation Table above under the columns for Bonus and Non-Equity Incentive Plan Compensation.

2016 Equity Awards

In November 2015, the Compensation Committee awarded the following options to our named executive officers: Dr. Luly, options to purchase a total of 110,000 shares; Dr. Or, options to purchase a total of 33,000 shares; and Mr. Mellett, options to purchase a total of 30,000 shares. Each of these option awards has a ten-year term and the options vest quarterly over four years. The option awards have an exercise price per share of \$31.42, the fair market value of our common stock as of the date of grant. After considering alternatives for providing additional incentive to our senior management team based on the performance of the company and its returns for stockholders, in December 2015 the Compensation Committee also awarded our executive officers performance-based and market-based stock unit awards, which will only vest upon achievement of specified milestones by December 31, 2017. The performance-based units, or PSUs, will vest as to percentages of the target number of unit shares only upon achievement of up to three specified research and development milestones by the end of calendar 2017, with the actual number of shares that may be earned ranging from 0% to 200% of the target number. The market-based units (also referred to as relative total stockholder return units, or rTSRUs) will vest as to percentages of the target number of unit shares based on the relative ranking of the total stockholder return of our common stock in relation to the total stockholder return of the component companies in the NASDAQ Biotech Index over the two year period based on a comparison of average closing stock prices in December 2015 and December 2017. The actual number of shares that may vest under the market-based unit ranges from 0% to 200% of the target number. The target number of PSU and rTSRU shares granted for Drs. Luly and Or and Mr. Mellett were as follows:

	PSUs	rTSRUs
Jay R. Luly, Ph.D.	10,750	10,750
Yat Sun Or, Ph.D.	3,250	3,250
Paul J. Mellett	2,875	2,875

Health and Welfare Benefits

Our named executive officers are eligible to participate in all of our employee benefit plans, including our medical, dental, vision, group life and disability insurance plans, in each case on the same basis as other employees. We believe that these health and welfare benefits help ensure that we have a productive and focused workforce through reliable and competitive health and other benefits.

Retirement Savings

All of our full-time employees in the United States, including our named executive officers, are eligible to participate in our 401(k) plan. Pursuant to our 401(k) plan, employees may elect to reduce their current compensation by up to the statutorily prescribed annual limit (which was \$18,000 in calendar 2016), with additional salary deferrals not to exceed \$6,000 available to those employees 50 years of age or older, and to have the amount of this reduction contributed to our 401(k) plan. In addition, in 2016 and 2015 we made matching contributions in the amount of 6% and 5% of base salary, up to a maximum of \$13,250 and \$13,188, respectively, per year, based on our policy of making profit-sharing contribution to each employee's account in amounts ranging from 3% to 6% of base salary and

bonus compensation paid in the calendar year, regardless of whether the employee makes a contribution to the 401(k) plan in that year. The percentage of the profit sharing contribution above 3% is based on the company's performance for the year. The 401(k) Plan currently does not offer the ability to invest in our securities.

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Perquisites

We do not provide significant perquisites or personal benefits to our named executive officers. We do, however, pay the premiums for term life insurance for our named executive officers.

Potential Payments Upon Termination, Including Termination After a Change in Control Transaction

If Dr. Luly is terminated involuntarily without cause or constructively terminated, and such termination occurs within twelve months of a change in control transaction, these terms as defined in the agreements, he is entitled to the following: (i) a lump sum payment in an amount equal to the higher of (x) eighteen (18) months of his then current base salary or (y) eighteen (18) months of his base salary immediately prior to the effective date of the change in control, (ii) a lump sum payment equal to one hundred fifty percent (150%) of the target annual bonus for the period in which his employment is terminated and (iii) a continuation of benefit coverage for up to eighteen (18) months.

If either Dr. Or or Mr. Mellett is terminated involuntarily without cause or constructively terminated, and such termination occurs within twelve months of a change in control transaction, these terms as defined in the agreements, then each is entitled to following: (i) a lump sum payment in an amount equal to the higher of (x) twelve (12) months of his then current base salary or (y) twelve (12) months of his base salary immediately prior to the effective date of the change in control, (ii) a lump sum payment equal to one hundred percent (100%) of the target annual bonus for the period in which his employment is terminated and (iii) a continuation of benefit coverage for up to twelve (12) months.

If Dr. Luly is terminated involuntarily without cause other than in connection with a change in control transaction or if he voluntarily terminates his employment for good reason, these terms as defined in the agreements, he is entitled to the following: (i) a lump sum payment in an amount equal to twelve (12) months of his then current base salary and (ii) a lump sum payment in an amount equal to one hundred percent (100%) of the target annual bonus for the period in which his employment is terminated and (iii) continuation of benefit coverage for up to twelve (12) months.

If either Dr. Or or Mr. Mellett is terminated involuntarily without cause other than in connection with a change in control transaction or voluntarily terminates his employment for good reason, these terms as defined in the agreements, then each is entitled to the following: (i) a lump sum payment in an amount equal to six (6) months of his then current base salary and (ii) continuation of benefit coverage for up to six (6) months.

In addition, if any of Dr. Luly, Dr. Or or Mr. Mellett is involuntary terminated without cause or is constructively terminated, and such termination occurs within twelve months of a change of control transaction, these terms as defined in the agreements, all unvested stock options granted to that executive shall immediately become fully vested and exercisable.

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The following table summarizes the outstanding equity award holdings of our Named Executive Officers as of September 30, 2016:

Named Executive Officers	Grant Date	Option Awards			Stock Awards		
		Number of Securities Underlying Unexercised Options (# Exercisable)	Number of Securities Underlying Exercised Options (# Exercised)	Exercise Price (\$/Sh)	Option Expiration Date	Equity incentive plan awards: Number of unearned shares, units or other stock rights that have not vested (#) ¹	Market or payout value of unearned shares, units or other rights that have not vested (\$) ²
Jay R. Luly, Ph.D.	06/20/2012	18,561		\$ 11.77	06/20/2022		
	12/26/2012	23,201		\$ 14.18	12/26/2022		
	03/21/2013	27,838	55,688	\$ 14.00	03/21/2023		
	12/05/2013	48,124	21,876	\$ 27.58	12/05/2023		
	12/09/2013	17,187	7,813	\$ 29.66	12/09/2023		
	11/20/2014	37,296	47,954	\$ 44.00	11/20/2024		
	11/20/2015	20,625	89,375	\$ 31.42	11/20/2025		
	2/20/2015					8,500	(a) \$ 226,185
	2/20/2015					8,500	(b) \$ 226,185
	12/21/2015					10,750	(c) \$ 286,058
12/21/2015					10,750	(d) \$ 286,058	
Yat Sun Or, Ph.D.	6/20/2012	18,793		\$ 11.77	6/20/2022		
	12/26/2012	13,921		\$ 14.18	12/26/2022		
	3/21/2013	13,918	27,845	\$ 14.00	3/21/2023		
	12/5/2013	24,061	10,939	\$ 27.58	12/5/2023		
	12/9/2013	8,593	3,907	\$ 29.66	12/9/2023		
	11/20/2014	15,968	20,532	\$ 44.00	11/20/2024		
	11/20/2015	6,187	26,813	\$ 31.42	11/20/2015		
	2/20/2015					3,650	(a) \$ 97,127
	2/20/2015					3,650	(b) \$ 97,127
	12/21/2015					3,250	(c) \$ 86,483
12/21/2015					3,250	(d) \$ 86,483	
Paul J. Mellett	07/12/2007	29,274		\$ 2.97	07/12/2017		

07/11/2008	6,960		\$ 1.98	07/11/2018		
03/05/2009	6,960		\$ 1.51	03/05/2019		
05/25/2010	3,480		\$ 1.21	05/25/2020		
04/15/2011	6,960		\$ 2.54	12/31/2020		
06/20/2012	6,960		\$ 11.77	06/20/2022		
12/26/2012	8,296		\$ 14.18	12/26/2022		
01/17/2013	5,624		\$ 14.18	01/17/2023		
03/21/2013	13,918	27,845	\$ 14.00	03/21/2023		
12/05/2013	24,061	10,939	\$ 27.58	12/05/2023		
12/09/2013	8,593	3,907	\$ 29.66	12/09/2023		
11/20/2014	14,218	18,282	\$ 44.00	11/20/2024		
11/20/2015	5,625	24,375	\$ 31.42	11/20/2025		
2/20/2015					3,250	(a) \$ 86,483
2/20/2015					3,250	(b) \$ 86,483
12/21/2015					2,875	(c) \$ 76,504
12/21/2015					2,875	(d) \$ 76,504

- (1) The awards included in this column represent performance share units (PSUs) or relative total stockholder return units (rTSRUs). Shown above are the target number of shares that may be earned. The actual number of shares that may be earned ranges from 0% to 200% of the target number.

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- (a) PSUs will vest upon Enanta's achievement of specified research and development milestones on or before December 31, 2016.
- (b) rTSRUs will vest based upon the relative ranking of the total stockholder return, or TSR, of Enanta's common stock in relation to the TSR of each of the component companies in the NASDAQ Biotech Index over a two-year period based on a comparison of average closing stock prices in December 2014 and December 2016.
- (c) PSUs will vest upon Enanta's achievement of specified research and development milestones on or before December 31, 2017.
- (d) rTSRUs will vest based upon the relative ranking of the total stockholder return, or TSR, of Enanta's common stock in relation to the TSR of each of the component companies in the NASDAQ Biotech Index over a two-year period based on a comparison of average closing stock prices in December 2015 and December 2017.
- (2) The market value of awards is based on the target number of awards shown multiplied by the closing price of our common stock on September 30, 2016 (\$26.61), as reported by the NASDAQ Global Select Market.

DIRECTOR COMPENSATION

The following table summarizes compensation paid to our non-employee directors during or with respect to the fiscal year ended September 30, 2016.

	Fees Earned or Paid in Cash (\$)	Option Awards (\$)⁽¹⁾⁽²⁾	All Other Compensation (\$)	Total (\$)
Non-Employee Directors:				
Ernst-Günter Afting, M.D., Ph.D	53,500	93,029		146,529
Stephen Buckley, Jr.	62,500	93,029		155,529
Bruce L.A. Carter, Ph.D.	81,144	93,029		174,173
George S. Golumbeski, Ph.D.	54,262	93,029		147,291
Terry C. Vance	64,000	93,029		157,029
Employee Directors:				
Jay R. Luly, Ph.D. ⁽³⁾				

- (1) Amounts shown represent the aggregate grant date fair value of the option awards granted in 2016 to our non-employee directors computed in accordance with FASB Topic ASC 718. These amounts do not correspond to the actual value that will be recognized by the non-employee director with respect to such awards. The assumptions used in the valuation of these awards are consistent with the valuation methodologies specified in the notes to our financial statements included in our Annual Report on Form 10-K for the year ended September 30, 2016, filed with the SEC on December 9, 2016.
- (2) In 2016 each of our non-employee directors was awarded an option to purchase 6,000 shares. The following sets forth the aggregate number of shares underlying outstanding options as of September 30, 2016 for each director included in the table:

Director

	Option Shares
Ernst-Günter Afting, M.D., Ph.D.	42,161
Stephen Buckley, Jr.	30,561
Bruce L.A. Carter, Ph.D.	21,280
George S. Golumbeski, Ph.D.	21,280
Terry C. Vance	22,440
Jay R. Luly, Ph.D.*	

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- * Excludes outstanding options to purchase an aggregate of 415,538 shares awarded to Dr. Luly in his capacity as President and Chief Executive Officer of the Company, as well as outstanding PSUs and rTSRUs for an aggregate of 38,500 shares, which is the target number of shares that may be earned by Dr. Luly under the unit awards.

- (3) Dr. Luly receives no compensation for his service on the Board. All of his compensation is described above in this Proxy Statement under the heading Executive Compensation.

Director Compensation Policy

Our non-employee directors received an annual retainer of \$40,000 during 2016. The chairman of our Board of Directors also received an additional retainer of \$35,000. In addition, all non-employee directors who served on one or more committees received the following committee fees during 2016:

Committee	Chair	Other Member
Audit Committee	\$ 18,000	\$ 9,000
Compensation Committee	\$ 12,000	\$ 6,000
Nominating and Corporate Governance Committee	\$ 9,000	\$ 4,500

Other than the annual retainers and committee fees described above, non-employee directors were not entitled to receive any cash fees in connection with their service on our Board in 2016. Equity awards to our non-employee directors are made on the date of our annual meeting of stockholders and, in the case of new directors, when they join our board of directors. At our 2016 annual meeting of stockholders, each non-employee director who had served at least six months was awarded an option with respect to 6,000 shares, vesting monthly over the year of service until the next annual meeting. Any new director is entitled to an option award with respect to 10,000 shares upon joining our board of directors, which vests monthly over three years.

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AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to Enanta's audited financial statements for the year ended September 30, 2016.

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee Enanta's accounting and financial reporting, internal controls and audit functions. The Audit Committee Charter describes in greater detail the full responsibilities of the Committee and is available in the Investors' Corporate Governance section of our website at www.enanta.com. The Audit Committee is comprised entirely of independent directors as defined by applicable NASDAQ Stock Market standards.

Management is responsible for our internal controls and the financial reporting process. PricewaterhouseCoopers LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our consolidated financial statements in accordance with the standards established by the Public Company Accounting Oversight Board (United States) and issuing a report thereon. The Committee's responsibility is to monitor these processes. The Audit Committee has reviewed and discussed the consolidated financial statements with management and PricewaterhouseCoopers LLP.

In the course of its oversight of Enanta's financial reporting process, the Audit Committee:

reviewed and discussed with management and PricewaterhouseCoopers LLP Enanta's audited financial statements for the fiscal year ended September 30, 2016;

discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard No. 16, *Communications with Audit Committees*;

received written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence;

reviewed with management and PricewaterhouseCoopers LLP Enanta's critical accounting policies;

discussed with management the quality and adequacy of Enanta's internal controls;

discussed with PricewaterhouseCoopers LLP any relationships that may impact their objectivity and independence; and

considered whether the provision of non-audit services by PricewaterhouseCoopers LLP is compatible with its maintaining its independence.

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Based on the foregoing review and discussions, the Committee recommended to the Board of Directors that the audited financial statements be included in Enanta's Annual Report on Form 10-K for the year ended September 30, 2016 for filing with the Securities and Exchange Commission.

By the Audit Committee,

Stephen Buckley, Jr., Chair
Ernst-Günter Afting, M.D., Ph.D.
Terry C. Vance

December 29, 2016

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PricewaterhouseCoopers LLP, an independent registered public accounting firm, audited our financial statements for the year ended September 30, 2016. The Audit Committee, under delegated authority of the Board of Directors, has appointed PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2017. Representatives of PricewaterhouseCoopers LLP are expected to attend the annual meeting to respond to appropriate questions, and will have the opportunity to make a statement if they desire.

The aggregate fees for audit and other services provided by PricewaterhouseCoopers LLP for fiscal years 2016 and 2015 are as follows:

	2016	2015
Audit Fees ⁽¹⁾	\$ 448,000	\$ 435,000
Tax Fees ⁽²⁾	55,000	422,000
All Other Fees ⁽³⁾	2,700	2,700
Total	\$ 505,700	\$ 859,700

- (1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) Tax fees were for services related to (a) tax compliance including sales and use taxes and (b) tax planning. The 2016 tax fees consisted of \$45,000 for tax compliance and \$10,000 for tax planning, primarily for an incentive tax credit grant. The 2015 tax fees consisted of \$28,000 for tax compliance and \$394,000 for tax planning, primarily for a one-time study of over 15 years of research and development expenditures to determine their qualification for income tax credits.
- (3) All other fees include technical research materials.

Our Audit Committee has adopted procedures requiring the pre-approval of all non-audit (including tax) services performed by our independent registered public accounting firm in order to assure that these services do not impair the auditor's independence. These procedures generally approve the performance of specific services subject to a cost limit for all such services. This general approval is to be reviewed, and if necessary modified, at least annually.

Management must obtain the specific prior approval of the Audit Committee for each engagement of the independent registered public accounting firm to perform other audit-related or other non-audit services. For engagements for audit-related or tax-related services within a specified dollar limit, the Chair of the Audit Committee has authority to provide such prior approval, and he reports to the full committee whenever he has exercised that authority. The Audit Committee does not delegate its responsibility to approve services performed by the independent registered public accounting firm to any member of management.

The standard applied by the Audit Committee in determining whether to grant approval of any type of non-audit service, or of any specific engagement to perform a non-audit service, is whether the services to be performed, the compensation to be paid therefore and other related factors are consistent with the independent registered public accounting firm's independence under guidelines of the SEC and applicable professional standards. Relevant considerations include whether the work product is likely to be subject to, or implicated in, audit procedures during the audit of our financial statements, whether the independent registered public accounting firm would be functioning

in the role of management or in an advocacy role, whether the independent registered public accounting firm's performance of the service would enhance our ability to manage or control risk or improve audit quality, whether such performance would increase efficiency because of the independent registered public accounting firm's familiarity with our business, personnel, culture, systems, risk profile and other factors, and whether the amount of fees involved, or the non-audit services portion of the total fees payable to the independent registered public accounting firm in the period would tend to reduce the independent registered public accounting firm's ability to exercise independent judgment in performing the audit.

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STOCKHOLDER MATTERS

Stockholder Recommendations for Director Nominations

Any stockholder wishing to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee should provide the following information to the Chair of the Nominating and Corporate Governance Committee, Enanta Pharmaceuticals, Inc., 500 Arsenal Street, Watertown, Massachusetts 02472: (a) a brief statement outlining the reasons the nominee would be an effective director for Enanta; (b) (i) the name, age, and business and residence addresses of the candidate, (ii) the principal occupation or employment of the candidate for the past five years, as well as information about any other Board of Directors and board committees on which the candidate has served during that period, (iii) the number of shares of Enanta stock, if any, beneficially owned by the candidate and (iv) details of any business or other significant relationship the candidate has ever had with Enanta; (c) (i) the stockholder's name and record address and the name and address of the beneficial owner of Enanta shares, if any, on whose behalf the proposal is made and (ii) the number of shares of Enanta stock that the stockholder and any such other beneficial owner beneficially own; and (d) the other information specified in Enanta's Bylaws as then in effect. The Committee may seek further information from or about the stockholder making the recommendation, the candidate, or any such other beneficial owner, including information about all business and other relationships between the candidate and the stockholder and between the candidate and any such other beneficial owner.

Other Stockholder Proposals

Any stockholder proposing to bring any business other than a director candidate before an annual meeting of stockholders, which business must relate to a proper matter under Delaware law for stockholder action, must provide the following information to the Chair of the Nominating and Corporate Governance Committee: (a) a brief description of the business desired to be brought before the annual meeting; (b) the text of the proposal (including the exact text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the bylaws, the exact text of the proposed amendment); (c) the reasons for conducting such business at the annual meeting; (d) the proposing stockholder's name and record address and the name and address of the beneficial owner of Enanta shares, if any, on whose behalf the proposal is made; and (e) the other information specified in Enanta's Bylaws as then in effect.

Deadline for Stockholder Proposals and Director Nominations

In order for a stockholder proposal to be considered for inclusion in Enanta's proxy materials for the annual meeting of our stockholders to be held in 2018 (the 2018 Annual Meeting), it must be received by Enanta at 500 Arsenal Street, Watertown, Massachusetts 02472 (or such other address as is listed as Enanta's primary executive offices in its periodic reports under the Securities Exchange Act of 1934) no later than September 8, 2017.

In addition, Enanta's Bylaws require a stockholder who wishes to bring business before or propose director nominations at the 2018 Annual Meeting to give advance written notice to Enanta's Secretary not less than 45 days nor more than 60 days before the meeting; *provided, however*, that if less than 60 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Assuming the 2018 Annual Meeting is held on February 16, 2018, this would require that the advance written notice would need to be given between December 15, 2017 and January 2, 2018.

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ENANTA PHARMACEUTICALS, INC.

500 ARSENAL STREET

WATERTOWN MA 02472

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

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 the day before the cut-off date or meeting date. 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:

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

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

0	0	0
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1. Election of Directors

Nominees

- | | |
|----------------------------|-----------------------|
| 01 Bruce L.A. Carter, Ph.D | 02 Jay R. Luly, Ph.D. |
|----------------------------|-----------------------|

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

For Against Abstain

- | | | | |
|--|----------|----------|----------|
| 2 To approve the performance measures in the 2012 Equity Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code. | 0 | 0 | 0 |
| 3 To ratify the appointment of PricewaterhouseCoopers LLP as Enanta's independent registered public accounting firm for the 2017 fiscal year. | 0 | 0 | 0 |

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

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] _____ Date _____

Signature (Joint Owners) _____ Date _____

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report (Form 10-K Wrap) is/are available at www.proxyvote.com

ENANTA PHARMACEUTICALS, INC.

Annual Meeting of Stockholders

February 16, 2017 4:00 PM

This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) Jay R. Luly, Paul J. Mellett and Nathaniel S. Gardiner, or any one of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of ENANTA PHARMACEUTICALS, INC. that the stockholder(s) is (are) entitled to vote at the Annual Meeting of Stockholders to be held at 4:00 p.m., local time on Thursday, February 16, 2017, at the offices of Locke Lord LLP, 111 Huntington Avenue, Boston, Massachusetts 02199, and at any adjournment of the meeting, upon the matters set forth on the reverse side of this card. The undersigned stockholder hereby revokes any proxy or proxies heretofore given.

This proxy will be voted as directed by the undersigned stockholder. Unless contrary direction is given, this proxy will be voted FOR the election of the nominees listed in Proposal 1, FOR approval of the performance measures in the 2012 Equity Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code as described in Proposal 2, and FOR ratification of the appointment of Enanta's independent registered public accounting firm as described in Proposal 3, and in accordance with the determination of a majority of the Board of Directors as to any other matter that may properly come before the meeting or any adjournment thereof. The undersigned stockholder may revoke this proxy at any time before it is voted by delivering to the Secretary either a written notice of revocation of the proxy or a duly executed proxy bearing a later date, or by attending the 2017 Annual Meeting and voting in person. The undersigned stockholder hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement for the 2017 Annual Meeting.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations.

Continued and to be signed on reverse side