

T2 Biosystems, Inc.  
Form DEFR14A  
April 30, 2019  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. 1)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**T2 Biosystems, Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**



(3) Filing Party:

(4) Date Filed:

**Explanatory Note:**

This Amendment No. 1 (this Amendment No. 1 ) to the definitive proxy statement for the 2019 Annual Meeting of Stockholders that was filed with the Securities and Exchange Commission on April 26, 2019 (the Original Filing ) amends and restates the Original Filing to insert information that was omitted from footnote (3) of the 2018 Summary Compensation Table that appears on page 20 of the Original Filing. In the Original Filing, the Company omitted the details for the maximum values of the market-based restricted stock units granted in 2018. This Amendment No. 1 includes this information and reports that the maximum values of the market-based restricted stock units granted in 2018, based on the closing price per share of our common stock on the date of grant, were \$2,773,916 for Mr. McDonough, \$685,123 for Mr. Lowery, and \$441,305 for Mr. Sprague.

This error does not appear in the copy of the definitive proxy statement sent to stockholders.

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**T2 Biosystems, Inc.**

**101 Hartwell Ave.**

**Lexington, MA 02421**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

Notice is hereby given that the 2019 Annual Meeting of Stockholders of T2 Biosystems, Inc. will be held on Friday, June 7, 2019, at 9 a.m. Eastern Time, at 91 Hartwell Ave., Lexington, Massachusetts 02421. The purpose of the meeting is the following:

1. to elect one director, Michael Cima, to serve as a Class II director until the 2022 annual meeting of stockholders and until his successor is duly elected and qualified, subject to his earlier resignation or removal;
2. to ratify the appointment of BDO USA, LLP ( BDO ) as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and
3. to transact such other business as may properly come before the meeting or at any and all adjournments or postponements thereof.

The proposal for the election of the director relates solely to the election of the Class II director nominated by the Board of Directors.

Only T2 Biosystems, Inc. stockholders of record at the close of business on April 12, 2019 will be entitled to vote at the meeting and any adjournment or postponement thereof.

We are pleased to take advantage of Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the Internet. We are mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of our proxy materials and our 2018 Annual Report on Form 10-K. The Notice contains instructions on how to access those documents and to cast your vote via the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials and our 2018 Annual Report on Form 10-K. All stockholders who do not receive a Notice will receive a paper copy of the proxy materials and the Annual Report by mail. This process allows us to provide our stockholders with the information they need on a more timely basis, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

Your vote is important. Whether or not you are able to attend the meeting in person, it is important that your shares be represented. To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the meeting, by submitting your proxy via the Internet at the address listed on the proxy card or by signing, dating and returning the proxy card.

By Order of the Board of Directors,

John McDonough

*Chief Executive Officer, President, and  
Director*

Lexington, Massachusetts

April 26, 2019

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**T2 BIOSYSTEMS, INC.**

**PROXY STATEMENT**

**FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

**GENERAL INFORMATION**

Our Board of Directors (the Board of Directors or Board ) has made this Proxy Statement and related materials available to you on the Internet, or at your request has delivered printed versions to you by mail, in connection with the Board of Directors solicitation of proxies for our 2019 Annual Meeting of Stockholders (the Annual Meeting ), and any adjournment of the Annual Meeting. If you requested printed versions of these materials by mail, they will also include a proxy card for the Annual Meeting.

Pursuant to rules adopted by the Securities and Exchange Commission ( SEC ), we are providing access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice ) to our stockholders of record and beneficial owners as of the record date identified below. The mailing of the Notice to our stockholders is scheduled to begin by April 26, 2019.

**IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDERS MEETING TO BE HELD ON JUNE 7, 2019: *This proxy statement, the accompanying proxy card or voting instruction card and our 2018 Annual Report on Form 10-K are available at <http://www.proxyvote.com>.***

In this Proxy Statement, the terms the Company, T2 Biosystems, we, us, and our refer to T2 Biosystems, Inc. and its wholly owned subsidiary. The mailing address of our principal executive offices is T2 Biosystems, Inc., 101 Hartwell Ave., Lexington, MA 02421.

**EXPLANATORY NOTE**

We are an emerging growth company under applicable federal securities laws and therefore permitted to take advantage of certain reduced public company reporting requirements. As an emerging growth company, we provide in this proxy statement the scaled disclosure permitted under the Jumpstart Our Business Startups Act of 2012 (the JOBS Act ), including the compensation disclosures required of a smaller reporting company, as that term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act ). In addition, as an emerging growth company, we are not required to conduct votes seeking approval, on an advisory basis, of the compensation of our named executive officers or the frequency with which such votes must be conducted. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1 billion or more; (ii) December 31, 2019; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

**Stockholders Entitled to Vote; Record Date**

As of the close of business on April 12, 2019, the record date for determination of stockholders entitled to vote at the Annual Meeting, there were outstanding 44,339,243 shares of our common stock, par value \$0.001 per share, all of which are entitled to vote with respect to all matters to be acted upon at the Annual Meeting. Each stockholder of record is entitled to one vote for each share of our common stock held by such stockholder. No shares of T2

Biosystems preferred stock were outstanding as of April 12, 2019.

**Quorum; Abstentions; Broker Non-Votes**

Our By-laws provide that a majority of the shares entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Under the General Corporation Law of the State of Delaware (the DGCL ), shares that are voted abstain or withheld and broker non-votes are counted as present for purposes of determining whether a quorum is present at the Annual Meeting.



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Under our By-laws, any proposal other than an election of directors is decided by a majority of the votes properly cast for and against such proposal, except where a larger vote is required by law or by our Certificate of Incorporation or By-laws. Abstentions and broker non-votes are not included in the tabulation of the voting results on any such proposal and, therefore, do not have the effect of votes in opposition to such proposals. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

If your shares are held in street name by a brokerage firm, your brokerage firm is required to vote your shares according to your instructions. If you do not give instructions to your brokerage firm, the brokerage firm will only be able to vote your shares with respect to certain discretionary items, but will not be allowed to vote your shares with respect to non-discretionary items. Proposal 1 is a non-discretionary item. If you do not instruct your broker how to vote with respect to this proposal, your broker may not vote, and those votes will be counted as broker non-votes. Proposal 2 is considered to be a discretionary item, and your brokerage firm will be able to vote on this proposal even if it does not receive instructions from you.

## **Voting**

### ***In Person***

If you are a stockholder of record, you may vote in person at the meeting. We will give you a ballot when you arrive. If you hold your shares through a bank or broker and wish to vote in person at the meeting, you must obtain a valid proxy from the firm that holds your shares. No appraisal rights are available under Delaware Law or under the Current Certificate or the Company's bylaws to any stockholder who dissents from this proposal.

### ***By Proxy***

If you do not wish to vote in person or will not be attending the meeting, you may vote by proxy. You can vote by proxy over the Internet by following the instructions provided in the Notice, or, if you requested printed copies of the proxy materials by mail, you can vote by mailing your proxy as described in the proxy materials. You may also authorize another person or persons to act for you as proxy in a writing, signed by you or your authorized representative, specifying the details of those proxies' authority. The original writing must be given to each of the named proxies, although it may be sent to them by electronic transmission if, from that transmission, it can be determined that the transmission was authorized by you. If you complete and submit your proxy before the meeting, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy without giving voting instructions, your shares will be voted in the manner recommended by the Board of Directors on all matters presented in this Proxy Statement, and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented at the meeting.

If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the enclosed proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

## **Revocability of Proxy**

You may revoke your proxy by (1) following the instructions on the Notice and entering a new vote by mail or over the Internet before the Annual Meeting or (2) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself revoke a proxy). Any written notice of revocation or subsequent proxy card must be received by our Secretary prior to the taking of the vote at the

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Annual Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to our Secretary or sent to our principal executive offices at T2 Biosystems, Inc., 101 Hartwell Ave., Lexington, MA 02421, Attention: Corporate Secretary.

If a broker, bank, or other nominee holds your shares, you must contact them in order to find out how to change your vote.

## **Expenses of Solicitation**

T2 Biosystems is making this solicitation and will pay the entire cost of preparing and distributing the Notice and these proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the Internet, you are responsible for any Internet access charges that you may incur. Our officers and employees may, without compensation other than their regular compensation, solicit proxies through further mailings, personal conversations, facsimile transmissions, e-mails, or otherwise. We have hired Broadridge Financial Solutions, Inc. to assist us in the distribution of proxy materials and the solicitation of votes described above. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning, and tabulating the proxies.

## **OVERVIEW OF PROPOSALS**

This Proxy Statement contains two proposals requiring stockholder action. Proposal 1 requests the election of one director to the Board of Directors. Proposal 2 requests the ratification of the appointment of BDO as our independent registered public accounting firm for the fiscal year ending December 31, 2019. The proposals are discussed in more detail in the pages that follow.

### **PROPOSAL 1**

#### **ELECTION OF DIRECTORS**

The Board of Directors is divided into three classes. One class is elected each year at the annual meeting of stockholders for a term of three years. Vacancies on the Board of Directors are filled exclusively by the affirmative vote of a majority of the remaining directors, even if less than a quorum is present, and not by stockholders. A director elected by the Board of Directors to fill a vacancy in a class shall hold office for the remainder of the full term of that class, and until the director's successor is duly elected and qualified or until his or her earlier resignation, death, or removal.

The terms of the Class II directors are scheduled to expire on the date of the upcoming Annual Meeting. Based on the recommendation of the nominating and corporate governance committee of the Board of Directors, the Board of Directors' nominees for election by the stockholders is the only current Class II member: Michael Cima. If elected, the nominee will serve as a director until the annual meeting of stockholders in 2022 and until his successor is duly elected and qualified, or until his earlier death, resignation, or removal.

The names of and certain information about the directors in each of the three classes are set forth below. There are no family relationships among any of our directors or executive officers.

It is intended that the proxy in the form presented will be voted, unless otherwise indicated, for the election of the Class II director nominee to the Board of Directors. If the nominee should for any reason be unable or unwilling to serve at any time prior to the Annual Meeting, the proxies will be voted for the election of such substitute nominee as the Board of Directors may designate.



**Table of Contents****Nominee for Class II Director**

The name of the nominee for Class II director and certain information about him as of April 12, 2019 is set forth below.

<b>Name</b>	<b>Positions and Offices Held with T2 Biosystems</b>	<b>Director Since</b>	<b>Age</b>
Michael Cima	Director	2006	59

**Directors Not Standing for Election or Re-Election**

The names of and certain information as of April 12, 2019 about the members of the Board of Directors who are not standing for election or re-election at this year's Annual Meeting are set forth below.

<b>Name</b>	<b>Positions and Offices Held with T2 Biosystems</b>	<b>Director Since</b>	<b>Class and Year in Which Term Will Expire</b>	<b>Age</b>
Stanley Lapidus	Director	2008	Class III-2020	69
John W. Cumming	Director	2014	Class III-2020	73
David Elsbree	Director	2014	Class III-2020	71
John McDonough	Chief Executive Officer, President and Director	2007	Class I-2021	59
Adrian Jones	Director	2016	Class I-2021	54
Seymour Liebman	Director	2016	Class I-2021	69

Set forth below are the biographies of each director, as well as a discussion of the particular experience, qualifications, attributes, and skills that led our Board of Directors to conclude that each person nominated to serve or currently serving on our Board of Directors should serve as a director. In addition to the information presented below, we believe that each director meets the minimum qualifications established by the nominating and corporate governance committee of our Board of Directors.

*John McDonough* has served as our President and Chief Executive Officer and a member of our Board of Directors since November 2007. From 2003 to 2007, Mr. McDonough held various positions at Cytoc Corporation, a company engaged in the design, development, manufacturing and marketing of clinical products that focus on women's health, where he ultimately served as President of Cytoc Development Corporation. Mr. McDonough received his B.S.B.A. from Stonehill College. Mr. McDonough's extensive management experience as a senior executive and his diagnostic company experience contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*Michael J. Cima, Ph.D.* is one of our founders and has served as a member of our Board of Directors since 2006. Since 1986, Dr. Cima has been a Professor of Materials Science and Engineering at Massachusetts Institute of Technology, or MIT, and he is currently an Associate Dean of Engineering, holds the David H. Koch Engineering Chair and an appointment at the Koch Institute for Integrative Cancer Research. Dr. Cima received his B.S. in chemistry and his Ph.D. in chemical engineering, both from the University of California at Berkeley. Dr. Cima's extensive life science experience and knowledge of the diagnostics industry contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*John W. Cumming* has served as a member of our Board of Directors since July 2014 and also serves as a member of the Board of Directors of TransMed7, LLC. Mr. Cumming currently serves as Chief Executive Officer and Managing Director of Cumming & Associates LLC, a strategic advisory firm serving the healthcare industry. From August 2000 until December 2013, Mr. Cumming served in a number of leadership roles at Hologic Inc., a diagnostics company, including as Chief Executive Officer from 2001 through 2009 and again from July 2013 through December 2013, as President from 2001 until 2003, as Chairman of the Board from 2002 until 2007 and again from 2008 through 2011, and as Global Strategic Advisor from 2011 through July 2013.

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Mr. Cumming attended the University of South Carolina. Mr. Cumming's extensive knowledge of and experience with diagnostic product companies and expertise as a strategic advisor focused on the healthcare industry contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*David Elsbree* has served as a member of our Board of Directors since July 2014. From 1970 until 2004, Mr. Elsbree was employed by Deloitte & Touche, most recently as a senior partner. Mr. Elsbree served in a number of leadership roles in the firm's high technology practice, including partner-in-charge of the New England High Technology Practice. Mr. Elsbree served on the board of directors of Art Technology Group, Inc. from June 2004 until January 2011 and on the board of directors of Acme Packet, Inc. from November 2006 until March 2013. Mr. Elsbree received his B.A. from Northeastern University. Mr. Elsbree's extensive knowledge of and experience with technology companies and financial expertise contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*Stanley N. Lapidus* has served as a member of our Board of Directors since August 2008 and also serves as a member of the Board of Directors of private companies Glympse Bio, AknaDx, Fractyl Laboratories, Binx Health (formerly known as Atlas Genetics) and PathAI. Since 2008 Mr. Lapidus has served as Managing Director of LapidX Research Associates, a firm focused on medical devices and diagnostics. From 2009 to 2016, Mr. Lapidus was President and Chief Executive Officer of SynapDx, an autism early detection company he founded. From 2003 to 2008, Mr. Lapidus was Chief Executive Officer of Helicos Biosciences, a life science company he co-founded in 2003. From 1995 to 2001, he was Chief Executive Officer of EXACT Sciences, a colorectal cancer diagnostics company he founded in 1995. From 1987 to 1994, he was Chief Executive Officer of Cytoc Corp., a cervical cancer diagnostics company he founded in 1987. Mr. Lapidus held an academic appointment at MIT from 2002 to 2017. He received his B.S. in engineering from Cooper Union. Mr. Lapidus' experience as a senior executive and his knowledge of life science companies contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*Adrian Jones* has served as a member of our Board of Directors since March 2015. Since 1994, Mr. Jones has been employed by Goldman, Sachs & Co., currently serving as a managing director, vice chairman of the Corporate Private Equity Business in the Merchant Banking Division and a member of the MBD Corporate Investment Committee. From 1983 to 1989, Mr. Jones served as a lieutenant in the Irish Army, including two years in the United Nations Peacekeeping Force in Southern Lebanon. In the last five years, Mr. Jones has represented GS Capital Partners on the board of directors of Education Management Corp. from 2006 to 2015. In addition, Mr. Jones serves on the boards of Autism Speaks, The American Ireland Fund and the Galway University Foundation. Mr. Jones received his M.B.A. from Harvard Business School, his M.A. in Economics from University College, Dublin and his B.A. in Economics and Politics from University College, Galway. Mr. Jones' management experience, including his extensive experience in business strategy for healthcare companies, contributed to our Board of Directors' conclusion that he should serve as a director of our company.

*Seymour Liebman* has served as a member of our Board of Directors since September 2016. Mr. Liebman has been employed by Canon USA, Inc., a leading provider of consumer, business-to-business, and industrial imaging solutions to the United States and Canada and to the Latin American and the Caribbean markets, since 1974 and currently serves as its Executive Vice President, Chief Administrative Officer and General Counsel and Senior Managing Executive Officer of Canon Inc., Japan, and Chairman of the Board of BriefCam, a Canon, Inc. company. Mr. Liebman received his J.D. from Touro Law School, his M.S. in mathematics from Rutgers University, his M.S. in accounting from Long Island University and his B.A. in mathematics from Hofstra University. Mr. Liebman's management and board experience contributed to our Board of Directors' conclusion that he should serve as a director of our company.

**Vote Required and Board of Directors Recommendation**

The director will be elected by a plurality of the votes cast by the stockholders entitled to vote on this proposal at the Annual Meeting. Broker non-votes and proxies marked to withhold authority with respect to the Class II director will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.



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The proposal for the election of the director relates solely to the election of the Class II director nominated by the Board of Directors.

*The Board of Directors recommends that stockholders vote FOR the election of the Class II director nominee listed above.*

**PROPOSAL 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

The audit committee has appointed BDO as our independent registered public accounting firm for the fiscal year ending December 31, 2019. The Board of Directors recommends that stockholders vote for ratification of this appointment. If this proposal is not approved at the Annual Meeting, the audit committee will reconsider its appointment. Even if the appointment is ratified, the audit committee may, in its discretion, direct the appointment of a different independent registered accounting firm at any time during the year if the audit committee determines that such a change would be in our stockholders' best interests.

BDO has audited our financial statements for the fiscal year ended December 31, 2018. We expect representatives of BDO to be present at the Annual Meeting and available to respond to appropriate questions. They will have the opportunity to make a statement if they desire to do so.

**BDO Fees**

The following table sets forth fees billed for professional audit services and other services rendered to us by BDO and its affiliates for the fiscal years ended December 31, 2018.

	<b>Fiscal 2018</b>
Audit Fees	\$ 487,010
Audit-Related Fees	
Tax Fees	56,965
All Other Fees	
<b>Total</b>	<b>\$ 543,975</b>

*Audit Fees.* Audit fees consist of fees billed for professional services performed by BDO for the audit of our annual consolidated financial statements, the review of interim consolidated financial statements, and related services that are normally provided in connection with registration statements.

*Audit-Related Fees.* Audit related fees consist of fees billed by BDO for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements. There were no such fees incurred in fiscal 2018.

*Tax Fees.* Tax fees consist of fees for professional services, including tax consulting and compliance performed by BDO.

*All Other Fees.* All other fees in fiscal 2018 consist of fees billed in connection with Forms S-3 and S-8, filed in 2018.

**Pre-Approval of Audit and Non-Audit Services**

It is the policy of our audit committee that all services to be provided by our independent registered public accounting firm, including audit services and permitted audit-related and non-audit services, must be approved in advance by our audit committee.

All BDO services and fees in the fiscal year ended December 31, 2018 were pre-approved by the audit committee.

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### **Information Regarding Prior Independent Registered Public Accounting Firm**

The audit committee first appointed Ernst & Young LLP ( EY ) as the Company s independent registered public accounting firm for the year ended December 31, 2008.

On June 8, 2018, the audit committee dismissed EY as the Company s independent registered public accounting firm. The reports of EY on the Company s financial statements for each of the two fiscal years ended December 31, 2016 and 2017 did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, except that EY s report on the Company s audited financial statements for the years ended December 31, 2017 included an explanatory paragraph regarding substantial doubt about the Company s ability to continue as a going concern with which the Company agreed. Since the date of EY s report on the Company s audited financial statements for the year ended December 31, 2017, the Company closed a public offering of its common stock in which it received net proceeds of approximately \$49,300,000.

In the fiscal years ended December 31, 2016 and 2017 and in the subsequent interim period through June 8, 2018, there were no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) between the Company and EY.

In the fiscal years ended December 31, 2016 and 2017 and in the subsequent interim period through June 8, 2018, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K), except that, as reported in Part II, Item 9A of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the 2017 10-K ), the Company reported a material weakness in its internal control over financial reporting during such period with which EY agreed. As disclosed in the 2017 10-K, the Company concluded that its internal control over financial reporting was not effective as of December 31, 2017 due to the existence of a material weakness in the Company s internal control over financial reporting related to the accounting for instruments which are classified as either inventory or property and equipment, depending on their future use.

The Company provided EY with a copy of the above disclosures and requested that EY furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements contained herein. A copy of EY s letter, dated June 13, 2018, was filed as Exhibit 16.1 to the Company s Form 8-K filed with the SEC on June 13, 2018.

On June 8, 2018, the audit committee engaged BDO as the Company s independent registered public accounting firm for the fiscal year ended December 31, 2018.

During the fiscal years ended December 31, 2016 and 2017 and the subsequent interim period through June 13, 2018, neither the Company nor anyone on its behalf consulted with BDO with respect to (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company s consolidated financial statements, and neither a written report nor oral advice was provided to the Company that BDO concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (b) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

### **Vote Required and Board of Directors Recommendation**

The approval of Proposal 2 requires that a majority of the votes properly cast vote FOR this proposal. Shares that are voted abstain will not affect the outcome of this proposal.

*The Board of Directors recommends that stockholders vote FOR ratification of the appointment of BDO as our independent registered public accounting firm.*

**Table of Contents****TRANSACTION OF OTHER BUSINESS**

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding beneficial ownership of our common stock as of April 12, 2019, for: each person known to us to be the beneficial owner of more than five percent of our outstanding common stock; each of our named executive officers; each of our directors and nominees; and all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 44,339,243 shares of our common stock outstanding as of April 12, 2019. The number of shares beneficially owned includes shares of our common stock that each person has the right to acquire within 60 days of April 12, 2019, except as noted in the footnotes below, including upon the exercise of stock options and vesting of restricted stock units. These stock options and restricted stock units shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by any other person.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Ownership</b>	<b>Percentage of Class</b>
<b>5% or Greater Stockholders</b>		
Entities affiliated with Canon U.S.A., Inc. (1)	6,114,108	13.8%
Entities affiliated with Broad Street Principal Investments, LLC (2)	4,342,457	9.8%
Entities affiliated with Senvest Management LLC (3)	2,831,973	6.4%
<b>Named Executive Officers and Directors</b>		
John McDonough (4)	1,438,329	3.2%
Thomas J. Lowery, Ph.D. (5)	242,020	*
John Sprague (6)	90,423	*
Adrian Jones (2)	4,342,457	9.8%
Michael J. Cima, Ph.D. (7)	364,358	*
John W. Cumming (8)	128,470	*
David B. Elsbree (9)	188,178	*
Stanley N. Lapidus (10)	180,241	*
Seymour Liebman (1)	6,114,108	13.8%
	13,386,122	30.3%

All executive officers and directors as a group  
(11 persons) (11)

\* Less than 1%.

(1) Based solely on information set forth in a Schedule 13D filed with the SEC by Canon U.S.A., Inc. on September 21, 2016, this includes 6,055,341 shares held by Canon U.S.A., Inc. Mr. Seymour Liebman is the Executive Vice President, Chief Administrative Officer and General Counsel, Senior Managing Executive

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- Officer of Canon Inc., Japan, and Chairman of the Board of BriefCam, a Canon, Inc. company and may be deemed to have beneficial ownership of the shares held by Canon U.S.A., Inc. Canon U.S.A., Inc. and Mr. Liebman each disclaim beneficial ownership of the shares held directly or indirectly by Canon U.S.A., Inc., except to the extent of its pecuniary interest therein, if any. On September 21, 2016, 66,176 options were granted to Mr. Liebman, in connection with Mr. Liebman becoming a member of our Board of Directors, on June 2, 2017, 18,000 restricted stock units were granted to Mr. Liebman, on January 1, 2018, 9,708 restricted stock units were granted to Mr. Liebman, on June 8, 2018, 9,000 restricted stock units were granted to Mr. Liebman, and on January 1, 2019, 13,289 restricted stock units were granted to Mr. Liebman, of which (i) 22,059 options and (ii) 9,000 restricted stock units are, or will be, immediately exercisable within 60 days of April 12, 2019. The mailing address of the beneficial owner is One Canon Park, Melville, New York 11747.
- (2) Based solely on information set forth in a Schedule 13G/A filed with the SEC by the Goldman Sachs Group, Inc. on February 13, 2019, this includes (a) 3,492,083 shares of common stock held by Broad Street Principal Investments, LLC, (b) 515,497 shares of common stock held by Bridge Street 2013 Holdings, L.P. (c) 149,660 shares of common stock held by MBD 2013 Holdings, L.P., and (d) 132,100 shares of common stock held by all other (that may or may not be vested or exercisable within 60 days), collectively the GS Entities. The GS Entities, of which affiliates of the Goldman Sachs Group, Inc. are the general partner, managing general partner or investment manager, share voting and investment power with certain of its respective affiliates. Mr. Adrian Jones is a Managing Director of Goldman, Sachs & Co. and may be deemed to have beneficial ownership of the shares held by the GS Entities. The Goldman Sachs Group, Inc., Goldman, Sachs & Co. and Mr. Jones each disclaim beneficial ownership of the shares held directly or indirectly by the GS Entities, except to the extent of its pecuniary interest therein, if any. Mr. Jones has sole and direct voting interest in 53,117 shares of common stock which Mr. Jones has the right to acquire pursuant to outstanding stock options and restricted stock units which are, or will be, immediately exercisable within 60 days of April 12, 2019. The address of the GS Entities, the Goldman Sachs Group, Inc., Goldman, Sachs & Co. and Mr. Jones is c/o The Goldman Sachs Group, 200 West Street, New York, New York 10282.
- (3) Based solely on information set forth in a Schedule 13G/A filed with the SEC by Senvest Management LLC and Richard Mashaal on February 8, 2019, this includes 2,831,973 shares held in the accounts of Senvest Master Fund, LP (the Investment Vehicle ). Senvest Management, LLC may be deemed to beneficially own the securities held by the Investment Vehicle by virtue of Senvest Management, LLC's position as investment manager of each of the Investment Vehicle. Mr. Mashaal may be deemed to beneficially own the securities held by the Investment Vehicle by virtue of Mr. Mashaal's position as investment manager of the Investment Vehicle. None of the foregoing should be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of the Common Stock reported herein. The mailing address of the beneficial owner is 540 Madison Avenue, 32nd Floor, New York 10022.
- (4) Consists of (a) 448,220 shares of common stock and (b) options to purchase 990,109 shares of common stock which Mr. McDonough has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019.
- (5) Consists of (a) 69,704 shares of common stock and (b) options to purchase 172,316 shares of common stock which Dr. Lowery has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019.
- (6) Consists of (a) 11,673 and (b) options to purchase 78,750 shares of common stock shares of common stock which Mr. Sprague has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019.
- (7) Consists of (a) 207,418 shares of common stock, (b) options to purchase 147,940 shares of common stock which Dr. Cima has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019 and (c) 9,000 restricted stock units vesting within 60 days of April 12, 2019.
- (8)

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Consists of (a) 18,000 shares of common stock, (b) options to purchase 101,470 shares of common stock which Mr. Cumming has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019 and (c) 9,000 restricted stock units vesting within 60 days of April 12, 2019.



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- (9) Consists of (a) 77,708 shares of common stock, (b) options to purchase 101,470 shares of common stock which Mr. Elsbree has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019 and (c) 9,000 restricted stock units vesting within 60 days of April 12, 2019.
- (10) Consists of (a) 53,010 shares of common stock, (b) options to purchase 118,231 shares of common stock which Mr. Lapidus has the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019 and (c) 9,000 restricted stock units vesting within 60 days of April 12, 2019.
- (11) Consists of (a) 11,348,992 shares of common stock, (b) 1,983,130 shares of common stock which our directors and executive officers as a group have the right to acquire pursuant to outstanding stock options which are, or will be, immediately exercisable within 60 days of April 12, 2019 and (c) 54,000 restricted stock units vesting within 60 days of April 12, 2019.

**EXECUTIVE OFFICERS**

The following table identifies our executive officers and sets forth their current position(s) at T2 Biosystems and their ages as of April 12, 2019.

<b>Name</b>	<b>Age</b>	<b>Position</b>
John McDonough	59	President, Chief Executive Officer and Director
Thomas J. Lowery, Ph.D.	40	Chief Scientific Officer
John Sprague	60	Chief Financial Officer
Michael Gibbs, Esq.	48	Vice President and General Counsel
Alec Barclay	38	Senior Vice President, Operations

You should refer to *Proposal 1: Election of Directors* above for information about our Chief Executive Officer, John McDonough. Biographical information for our other executive officers, as of April 12, 2019, is set forth below.

*Thomas J. Lowery, Ph.D.* has served as our Chief Scientific Officer since September 2013. Since joining our company in 2007, Dr. Lowery has held various technical leadership roles in the assay, methods, reagents and detector development programs. Prior to joining our company, Dr. Lowery conducted research at the University of California Berkeley focused on developing innovative magnetic resonance based biosensors for molecular imaging. Dr. Lowery received his Ph.D. in chemistry from the University of California, Berkeley and his B.S. in biochemistry from Brigham Young University.

*John Sprague* has served as our Chief Financial Officer since January 2018. Prior to joining our company, Mr. Sprague, 60, was Chief Financial Officer at Caliber Imaging & Diagnostics, Inc., a medical technologies company that designs, develops and markets innovative digital imaging solutions that show tissue at the cellular level using in-vivo confocal microscopes designed specifically for imaging skin and other tissues for pathology and life sciences, from February 2017 to January 2018. From 2011 to 2017, Mr. Sprague held various positions at GE Healthcare, with his last assignment serving as Finance Manager of GE's North American Core Imaging business. Mr. Sprague is a certified public accountant and received his BS in accounting from Boston College.

*Alec Barclay* has served as our Senior Vice President, Operations since March 2018. Mr. Barclay joined our company in April 2016 as Vice President of Product Development and Product Management. Prior to joining the Company, Mr. Barclay served as the Director of Hardware and Systems Engineering at Becton Dickinson, a medical technology company that manufactures and sells medical devices, instrument systems, and reagents, within their Genomics division from January 2015 to April 2016. Prior to joining Becton Dickinson, he held various positions within

Siemens Healthcare from July 2006 to December 2014, with his last assignment serving as Senior Manager, Lead Systems Integrator. Mr. Barclay received his BSME from Rochester Institute of Technology.

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*Michael Gibbs, Esq.* has served as our Vice President and General Counsel since January 2016. Mr. Gibbs joined our company in December 2014 as Senior Corporate Counsel. From 2011 until he joined our company, Mr. Gibbs was General Counsel for Keystone Dental, Inc., a medical device company focused on dental implants and biomaterials. From 2003 to 2011, Mr. Gibbs was a corporate attorney with the law firm Bingham McCutchen LLP (now Morgan Lewis & Bockius). Prior to joining Bingham McCutchen LLP, he was an officer in the United States Marine Corps, departing with the rank of Major. Mr. Gibbs received his J.D. from Boston College Law School and his B.S. in Political Science from Syracuse University.

**RELATED PERSON TRANSACTIONS**

**Policies for Approval of Related Person Transactions**

We have adopted a written policy that transactions with directors, officers and holders of 5% or more of our voting securities and their affiliates, or each, a related party, must be approved by our audit committee or another independent body of our Board of Directors. All related party transactions shall be disclosed in our applicable filings with the SEC as required under SEC rules.

**Transactions with Related Persons**

Based on a review of the transactions and arrangements between us and any related person or related person's affiliate, we describe below the transactions or arrangements during the year ended December 31, 2018 in which any related person or related person affiliate has a direct or indirect material interest and the amount involved exceeds \$120,000.

*Co-Development Agreement.* On February 3, 2015, we entered into a Co-Development Partnership Agreement with Canon U.S. Life Sciences, Inc. ( "Canon US Life Sciences" ) to develop a diagnostic test panel to rapidly detect Lyme disease. Canon US Life Sciences is an affiliate of Canon U.S.A., Inc., which acquired greater than 5% of our voting securities on September 21, 2016. Under the terms of the agreement, we received an upfront payment of \$2.0 million from Canon US Life Sciences and the agreement includes an additional \$6.5 million of consideration upon achieving certain development and regulatory milestones for total aggregate payments of up to \$8.5 million. Of the additional \$6.5 million of consideration, we received \$3.5 million related to the achievement of two milestones. We are eligible to receive an additional \$3.0 million related to the achievement of the final regulatory milestone. We recorded revenue of \$1.5 million for the year ended December 31, 2018 under the agreement, and we expect to record revenue through February of 2020.

*Indemnification Agreements with Executive Officers and Directors.* We have entered into an indemnification agreement with each of our directors and executive officers. These indemnification agreements and our certificate of incorporation and our bylaws indemnify each of our directors and officers to the fullest extent permitted by the DGCL. See the *Director Compensation Limitation of Liability and Indemnification Agreements* section for further details.

*Limitation of Liability and Indemnification Agreements* We have adopted provisions in our certificate of incorporation and bylaws that limit or eliminate the personal liability of our directors to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended.

Consequently, a director will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director, except for liability for:

any breach of the director's duty of loyalty to us or our stockholders;

any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

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any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions;  
or

any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our bylaws provide that:

we will indemnify our directors, officers and, in the discretion of our Board of Directors, certain employees to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended; and

we will advance reasonable expenses, including attorneys' fees, to our directors and, in the discretion of our Board of Directors, to our officers and certain employees, in connection with legal proceedings relating to their service for or on behalf of us, subject to limited exceptions.

We have entered into indemnification agreements with each of our directors and executive officers. These agreements provide that we will indemnify each of our directors, such executive officers and, at times, their affiliates to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees (but excluding judgments, fines and settlement amounts), to each indemnified director, executive officer or affiliate in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as a director or officer brought on behalf of us and/or in furtherance of our rights. Additionally, each of our directors may have certain rights to indemnification, advancement of expenses and/or insurance provided by their affiliates, which indemnification relates to and might apply to the same proceedings arising out of such director's services as a director referenced herein. Nonetheless, we have agreed in the indemnification agreements that our obligations to those same directors are primary and any obligation of the affiliates of those directors to advance expenses or to provide indemnification for the expenses or liabilities incurred by those directors are secondary.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling the registrant under the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During 2018, Mr. Lapidus, Mr. Cumming and Mr. Jones served as a member of our compensation committee. None of these individuals was at any time during the fiscal year ended December 31, 2018 one of our officers or employees or had any relationship requiring disclosure under Item 404 of Regulation S-K, and none was a former officer of the Company. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or compensation committee.

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our officers and directors and persons who beneficially own more than 10% of our outstanding common stock (collectively, Reporting Persons ) to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Reporting Persons are required by SEC regulations

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to furnish us with copies of all Section 16(a) forms they file. Based on our records and other information, we believe that during the fiscal year ended December 31, 2018, all Reporting Persons complied with all Section 16(a) reporting requirements, except that one Form 4 for each of Mr. McDonough, Mr. Lowery and Mr. Gibbs was inadvertently filed late.

**CORPORATE GOVERNANCE****Board and Committee Matters**

*Board Leadership and Independence.* Our Board of Directors has determined that all members of the Board of Directors, except John McDonough and Seymour Liebman, are independent, as determined in accordance with the rules of the NASDAQ Stock Market (the "NASDAQ Rules"). In making such independence determination, the Board of Directors considered the relationships that each such non-employee director has with us and all other facts and circumstances that the Board of Directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In considering the independence of the directors listed above, our Board of Directors considered the association of our directors with the holders of more than 5% of our common stock. There are no family relationships among any of our directors or executive officers.

The positions of our Chairman of the Board, or Lead Independent Director, and Chief Executive Officer are presently separated. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board, or Lead Independent Director, to lead the Board of Directors in its fundamental role of providing advice to and independent oversight of management. Our Board of Directors recognizes the time, effort and energy that the Chief Executive Officer must devote to his position in 33,288 24,023

<b>Total Current Assets</b>	<b>1,229,790</b>	<b>1,725,386</b>	Accounts Receivable, net	278,060	263,356	Accounts Receivable from Shareholders	740,609	800,594	Indemnities Receivable	148,794	148,794	Judicial Deposits	16,189	27,926
			Taxes and contributions	257,271	298,820	Other Receivables	27,976	32,920	<b>Total Long-Term Assets</b>	<b>1,468,899</b>	<b>1,572,410</b>	Investments	5,100	740
			Permanent Assets	14,040,922	14,116,099	Deferred Assets	39,097	20,531	<b>Total Permanent Assets</b>	<b>14,085,119</b>	<b>14,137,370</b>	<b>Total Assets</b>	<b>16,783,808</b>	<b>17,435,166</b>
			<b>LIABILITIES</b>	<b>12/31/2004</b>	<b>12/31/2005</b>	Suppliers and Constructors	51,578	77,781	Loans and Financing	1,496,810	759,013	Salaries and Payroll Charges	107,228	117,289
			Provision for Judicial Pendencies	30,373	31,557	Interest on Own Capital Payable	144,078	409,725	Taxes and contributions payable	115,119	106,131	Taxes and contributions	71,902	70,893
			Other Payables	83,801	119,577	<b>Total Current Liabilities</b>	<b>2,100,889</b>	<b>1,691,966</b>	Loans and Financing	5,553,843	5,905,208	Taxes and contributions payable	272,338	256,114
			Taxes and Contributions	130,055	133,443	Provision for Contingencies	460,231	580,840	Pension Fund Obligations	222,176	276,558	Other Payables	92,688	108,489
			<b>Total Long-Term Liabilities</b>	<b>6,731,331</b>	<b>7,260,652</b>	Capital Stock	3,403,688	3,403,688	Capital Reserves	65,291	78,820	Revaluation Reserves	2,619,220	2,529,771
			Profit Reserves	1,863,389	2,470,269	Retained Earnings	-	-	<b>Shareholder's Equity</b>	<b>7,951,588</b>	<b>8,482,548</b>	<b>Total Liabilities and Shareholder's Equity</b>	<b>16,783,808</b>	<b>17,435,166</b>

**Fourth Quarter 2005 Results**

March 24, 2006

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**Cash Flow****Brazilian Corporate Law****R\$ thousand**

<b>Description</b>	<b>Jan-Dec/04</b>	<b>Jan-Dec/05</b>
Cash flow from operating activities		
Net income for the period	513,028	865,647
Adjustments for reconciliation of net income		
Deferred income tax and social contribution	340	(32,470)
Impostos compensados	(43,096)	-
Provisions for contingencies	91,183	135,714
Liabilities related to pension plans	89,906	68,665
Loss in the write-off of property, plant and equipment	34,440	19,051
Write-off of deferred assets	-	6,700
Provision for investments	-	4,360
Depreciation and Amortization	598,911	595,981
Interest calculated on loans and financing payable	693,684	677,921
Foreign exchange loss on loans and financing	(103,640)	(230,797)
Monetary exchange loss on interest on own capital	9,794	715
Passive monetary exchange variation and interest	28,128	24,852
Active monetary exchange variation and interest	(36,000)	(21,343)
Provisions for bad debt	241,577	255,292
Adjusted net income	2,118,255	2,370,288
(Increase) decrease in assets		
Accounts Receivable, net	(244,047)	(363,110)
Accounts receivable from shareholders	(166,627)	(27,991)
Inventories	(7,296)	(6,466)
Other accounts receivable	(20,273)	9,265
Accounts Receivable, net - long term	(169,839)	(122,935)
Accounts receivable from shareholders	(104,977)	(96,388)
Judicial deposits	1,387	(11,737)
Other long term receivables	(1,753)	(4,944)
	(713,425)	(624,306)
Increase (decrease) in liabilities		
Accounts payable to suppliers and contractors	(356)	26,203
Salaries and payroll charges	(28,066)	10,061
Interest on own capital payable	(1,865)	(727)
Taxes and contributions	49,735	(50,064)
Other accounts payable	25,811	35,776
Pension plan	(13,270)	(14,283)
Provision for contingencies	(4,416)	(13,921)
Other accounts payable - long term	3,723	15,801



	31,296	8,846
Net cash from operating activities	1,436,126	1,754,828
Cash flow from investing activities		
Acquisition of property, plant and equipment	(670,257)	(660,373)
Sale of property, plant and equipment	176	-
Increase in Deferred Assets	(444)	(106)
Net cash used in investing activities	(670,525)	(660,479)
Cash flow from financing activities		
Loans and Financing -		
Funding	130,000	-
Payments	(133,787)	-
Loans and Financing - long term		
Funding	780,722	1,153,479
Payments	(1,585,496)	(1,991,370)
Interest on own capital payment	(132,496)	(81,842)
Net cash used in financing activities	(941,057)	(919,733)
Net increase (decrease) in cash equivalents	(175,456)	174,616
Cash and cash equivalents at the beginning of the period	281,013	105,557
Cash and cash equivalents at the end of the period	105,557	280,173
Change in Cash	(175,456)	174,616
Additional information on cash flow:		
Interest and charges paid to loans and financing	701,261	701,641
Capitalization of interest and financial charges	4,907	4,335
Payable income tax and social contribution	129,973	359,826
Property, plant and equip. received as donations and/or paid in	14,552	13,529
COFINS and PASEP taxes payable	216,699	378,932
Balancing accounts	(126,814)	(715)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city São Paulo, Brazil.

Date: March 30, 2006

**Companhia de Saneamento Básico do Estado de São Paulo - SABESP**

By:           /S/ Rui de Britto Álvares Affonso

Name: Rui de Britto Álvares  
Affonso  
Title: Economic-Financial Officer  
and Investor Relations Officer

**FORWARD-LOOKING STATEMENTS**

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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