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SIGA TECHNOLOGIES INC
Form DEF 14A
April 27, 2012

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant
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SIGA Technologies, Inc.
(Name of Registrant as Specified In Its Charter)

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

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SIGA Technologies, Inc.
35 East 62nd Street
New York, New York 10065
(212) 672-9100

April 27, 2012

Dear Stockholder:

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

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

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

Sincerely,

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

SIGA Technologies, Inc.
35 East 62nd Street
New York, New York 10065

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

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

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

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

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

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

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

YOUR VOTE IS IMPORTANT.

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

By Order of the Board of Directors,

Daniel J. Luckshire
Secretary

New York, New York
April 27, 2012

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

The Proxy Statement and 2011 Annual Report on Form 10-K are available in the Investor Relations section of our website at www.siga.com

SIGA Technologies, Inc.
35 East 62nd Street
New York, New York 10065
(212) 672-9100

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
MAY 23, 2012

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

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

VOTING RIGHTS AND SOLICITATION OF PROXIES

Purpose of the Annual Meeting

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

Record Date and Outstanding Shares

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

Voting at the Annual Meeting

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

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

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

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

Dissenters Rights

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

Revocability and Voting of Proxies

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

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

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

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

Solicitation

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

PROPOSAL No. 1**ELECTION OF DIRECTORS**

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

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

Director Nominee Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Meetings of the Board of Directors

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

Committees of the Board of Directors

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

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

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

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

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

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

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

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

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

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

Compensation Committee Interlocks and Insider Participation

None.

Code of Ethics

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

Stockholder Communications with the Board of Directors

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

Board Leadership Structure

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

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

The Board's Role in Risk Oversight

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

REPORT OF THE AUDIT COMMITTEE

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

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

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

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

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

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

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

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

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Ownership of Common Stock

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

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

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

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

- (1) Unless otherwise indicated the address of each beneficial owner identified is 35 East 62nd Street, New York, New York 10065.
- (2) Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated. For purposes of this table, a person or group of persons is deemed to have beneficial ownership of any shares as of a given date which such person has the right to acquire within 60 days after such date. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above on a given date, any security which such person or persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership of such person or persons, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.
- (3) MacAndrews & Forbes LLC (M&F) is a direct, wholly owned subsidiary of MacAndrews Holdings, a holding company whose sole stockholder is Ronald O. Perelman.
- (4) STH Partners L.P. (STH) is a holding company, the general partner of which is MK Holdings One LLC and the limited partner of which is M&F (having a 100% limited partner interest in STH). STH and its general and limited partners are parties to a letter agreement pursuant to which the parties agreed that (i) the general partner of STH shall have sole power to dispose of the shares of Common Stock held by STH and (ii) on all matters to be voted on by the stockholders of the Company, all shares of Common Stock held by STH shall be voted in the same proportion as the votes cast by all other holders of voting stock of the Company.
- (5) Includes 1,302,944 shares of Common Stock issuable upon exercise of warrants.
- (6) Includes 70,000 shares of Common Stock issuable upon exercise of options.
- (7) Includes 55,000 shares of Common Stock issuable upon exercise of options.
- (8) Includes 35,000 shares of Common Stock issuable upon exercise of options.

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- (9) Includes 60,000 shares of Common Stock issuable upon exercise of options.
- (10) Includes 95,000 shares of Common Stock issuable upon exercise of options.
- (11) Includes 40,000 shares of Common Stock issuable upon exercise of options.
- (12) Includes 320,000 shares of Common Stock issuable upon exercise of options.
- (13) Includes 300,000 shares of Common Stock issuable upon exercise of options.
- (14) Includes 40,000 shares of Common Stock issuable upon exercise of options.
- (15) Effective February 25, 2011, the Company and Ms. Dugary agreed not to extend the terms of Ms. Dugary's employment agreement, and effective as of the same date, Ms. Dugary's employment as Chief Financial Officer ceased.
- (16) See footnotes (5)-(15).

MANAGEMENT

Executive Officers

The following table sets forth certain information with respect to the executive officers of SIGA:

Name	Age	Position
Eric A. Rose, M.D.	61	Chief Executive Officer and Chairman of the Board
Daniel J. Luckshire (1)	41	Executive Vice President, Chief Financial Officer and Secretary
Dennis E. Hruby, Ph.D.	60	Vice President and Chief Scientific Officer
Ayelet Dugary (2)	45	Chief Financial Officer and Secretary

- (1) Mr. Luckshire was hired on February 10, 2011 to serve as Executive Vice President and Chief Financial Officer; his employment was effective on the same date.
- (2) Ms. Dugary was appointed to serve as Acting Chief Financial Officer on February 1, 2009 and as Chief Financial Officer effective April 29, 2009. Effective February 25, 2011, the Company and Ms. Dugary agreed not to extend the terms of Ms. Dugary's employment agreement, and effective as of the same date, Ms. Dugary's employment as Chief Financial Officer ceased.

Daniel J. Luckshire joined as Executive Vice President and Chief Financial Officer in February 2011. Prior to joining SIGA, Mr. Luckshire was a strategic advisor and private investor for a broad range of companies who are leaders within specialized market segments. Between 1998 and 2008, Mr. Luckshire was an investment banker at Merrill Lynch & Co., where he held various positions of increasing responsibility. Prior to his employment with Merrill Lynch, Mr. Luckshire was a member of the management team that built USI Insurance Services into a national insurance brokerage and was a CPA at Price Waterhouse LLP. Mr. Luckshire has a Master of Business Administration degree in Finance and Strategic Management from The Wharton School of the University of Pennsylvania and a Bachelor of Science degree in Accountancy from Villanova University.

Dennis E. Hruby, Ph.D. has served as Vice President and Chief Scientific Officer since June 2000. From April 1, 1997 through June 2000, Dr. Hruby was our Vice President of Research. From January 1996 through March 1997, Dr. Hruby served as a senior scientific advisor to SIGA. Dr. Hruby is a Professor of Microbiology at Oregon State University, and from 1990 to 1993 was Director of the Molecular and Cellular Biology Program and Associate Director of the Center for Gene Research and Biotechnology. Dr. Hruby specializes in virology and cell biology research, and the use of viral and bacterial vectors to produce recombinant vaccines. He is a member of the American Society of Virology, the American Society for Microbiology and a fellow of the American Academy of Microbiology. Dr. Hruby received a Ph.D. in microbiology from the University of Colorado Medical Center and a B.S. in microbiology from Oregon State University.

See Director Nominee Information for a biography of Dr. Rose.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The Compensation Committee of the Board of Directors is responsible for reviewing and recommending to the Board of Directors the compensation of our named executive officers, as well as our other key employees. In this regard, the Compensation Committee has the responsibility to establish a compensation policy for officers and key employees designed to (i) attract and retain the best possible executive talent; (ii) tie annual and long-term cash and stock incentives to achievement of measurable corporate and individual performance objectives; and (iii) provide competitive compensation to our officers and key employees to align executives' incentives with the creation of stockholder value.

As a general matter, the compensation policy for officers and key employees includes:

- base salary, which is determined on an annual or semi-annual basis,
- annual or other time-based cash incentive compensation, and
- long-term incentive compensation in the form of equity participation awards.

This section discusses the principles underlying our executive compensation policies, our decisions to date and the principles that we expect to use in coming years.

Our Named Executive Officers

For 2011, our Named Executive Officers and their titles were:

Name	Title
Eric A. Rose, M.D.	Chief Executive Officer and Chairman of the Board
Daniel J. Luckshire (1)	Executive Vice President, Chief Financial Officer and Secretary
Dennis E. Hruby, Ph.D.	Vice President and Chief Scientific Officer
Ayelet Dugary (2)	Chief Financial Officer and Secretary

- (1) Mr. Luckshire was hired on February 10, 2011 to serve as Executive Vice President and Chief Financial Officer; his employment was effective on the same date.
- (2) Effective February 25, 2011, the Company and Ms. Dugary agreed not to extend the terms of Ms. Dugary's employment agreement, and effective as of the same date, Ms. Dugary's employment as Chief Financial Officer ceased.

Our Executive Compensation Decision Process

Overview

Our Compensation Committee reviews and approves the corporate goals and objectives with respect to the compensation for the Company's executive officers, including the Chief Executive Officer. In its discretion, the Committee may establish cash or equity incentive programs and otherwise award cash bonuses or equity-based awards to executive officers and key employees. Annual incentive compensation to our executive officers is payable pursuant to contractual provisions with certain executives that provide eligibility to receive discretionary bonuses, and for certain executive equity-based awards, at the sole discretion of the Board of Directors. The Board of Directors' decisions in such matters have been delegated from time to time to the Compensation Committee. In connection with its review of compensation matters for the Company's executive officers, the Compensation Committee considers the executive's performance, economic and business conditions affecting the Company, the financial condition of the Company and reviews information regarding the compensation of similarly situated executives at peer companies. The Compensation Committee either makes such awards or makes recommendations to the Board of Directors with respect to the amounts of such awards based on the foregoing criteria.

Role of Executive Officers in Setting Compensation Decisions

Regarding most compensation matters, the Chief Executive Officer has historically provided recommendations to the Compensation Committee relying on his personal experience with respect to evaluating the contribution of our other executive officers. Dr. Eric A. Rose, our Chief Executive Officer and Chairman of the Board of Directors, is involved in compensation recommendations, with input from our Chief Financial Officer and Chief Scientific Officer, as it relates to the compensation of other key employees. The Compensation Committee considers, but retains the right to reject or modify, such recommendations. Although the Chief Executive Officer may attend a portion of the meetings of the Compensation Committee, neither he nor any other member of management may be present during executive sessions of the Compensation Committee. Moreover, the Chief Executive Officer may not be present when decisions with respect to his compensation are

made. On more than one occasion, the Committee has used a third-party compensation consultant.

Compensation Advisors

The Compensation Committee has the authority to retain compensation consultants to advise the Compensation Committee as it deems necessary to carry out its duties. In 2011, the Compensation Committee retained the services of Compensation Advisory Partners LLC, or CAP, as its independent executive compensation consultant. The Compensation Committee used the analyses prepared by the consultant as part of its periodic review of SIGA's executive and independent director compensation practices. The consultant reports directly to the Compensation Committee, and the Compensation Committee has the final authority to hire and terminate the consultant.

CAP attends meetings of the Compensation Committee, as requested, and is available to communicate with the committee chairman between meetings; however, the Compensation Committee makes all decisions regarding compensation matters that are discussed with CAP. At no time has the Compensation Committee directed CAP to perform services in any particular manner or using any particular methodology.

CAP does not provide any consulting advice to SIGA outside of the scope of employee and director compensation. During 2011 and early 2012, services performed by CAP for the Compensation Committee included:

- Providing a presentation on executive compensation trends and regulatory developments;
- Performing a competitive evaluation of total compensation for executives;
- Performing a competitive evaluation of independent director compensation;
- Providing a competitive review of compensation program share dilution and evaluation of current share-based compensation practices;
- Providing advice on the creation of a stock appreciation rights program;
- Providing recommendations on compensation for executive hires; and
- Providing recommendations on total CEO compensation.

Competitive Market Analysis and Benchmarking

In reviewing the compensation of the Chief Executive Officer and other executive officers, the Compensation Committee considers the compensation awarded to executives of similarly situated companies, our performance, the respective individual's performance, compensation given to executives in past years, anticipated changes to future duties and other factors the Compensation Committee deems appropriate. In 2011, with the signing of a contract with the U.S Biomedical Advanced Research and Development Authority (the "BARDA Contract") and commencement of commercialization activities for SIGA's lead drug, ST-246®, the Compensation Committee consulted with CAP to update the peer group for the Company. The update process took into account a variety of factors, including: the industry specialization of potential peer companies, the number and projected revenue of commercial drug products in select geographic markets at potential peer companies, the market capitalization of SIGA relative to the market capitalization of potential peer companies, and the expected revenue of SIGA relative to the commercial revenues of potential peer companies. We concluded that this group of companies provided us with appropriate compensation benchmarks because of comparable quantitative and qualitative metrics and because these companies may compete with us for executives and other employees.

The group of companies used by the Compensation Committee to assist in the determination of 2011 executive compensation includes:

Acorda Therapeutics Inc.	Nektar Therapeutics
Alkermes plc (formerly Alkermes, Inc.)	Onyx Pharmaceuticals, Inc.
Biomarin Pharmaceutical Inc.	Regeneron Pharmaceuticals, Inc.
Dendreon Corporation	Savient Pharmaceuticals, Inc.
Emergent Biosolutions Inc.	ViroPharma Inc.
Enzon Pharmaceuticals, Inc.	

Evaluations

The Compensation Committee evaluates, at least once a year, the performance of our executive officers and other key employees in light of goals and objectives established by the Committee. Based upon these evaluations, the Compensation Committee either adjusts the compensation of such personnel as appropriate or recommends to the full Board of Directors any adjustment for such personnel, including any change to base salary, bonus and incentive and equity compensation. In its evaluation of the Chief Executive Officer, the Compensation Committee considers overall management of the Company, the progress achieved by our drug candidates, the establishment and maintenance of successful relationships with the Company's various funding and research partners and potential customers and successful relations with the Board of Directors and the shareholders. In its evaluation of the Chief Financial Officer, the Committee considers the Company's financial performance, the Chief Financial Officer's role in achieving our financial goals, the Chief Financial Officer's relationship with the shareholders and potential investors, the Chief Financial Officer's efforts with respect to financial regulatory compliance (including compliance with NASDAQ rules, the securities laws and all related regulations), and the preparation of and compliance with the Company's budget. In its evaluation of the Company's Chief Scientific Officer, the Committee considers achievement of program objectives within budgetary requirements, new grants and other third-party funding obtained, relationships with regulators and current and possible future scientific partners, compliance with grant requirements and management of the Company's research facility located in Corvallis, Oregon.

Our Compensation Philosophy and Program Objectives

The overall objectives of the Company's compensation program are to attract and retain the best possible executive talent, to motivate these executives to achieve the goals inherent in the Company's business strategy, to maximize the link between executive and stockholder interests through an equity incentive plan and to recognize individual contributions as well as overall business results. To achieve these objectives, the Company has developed an overall compensation strategy and specific compensation plans that tie a substantial portion of an executive's compensation to performance.

Our Executive Compensation Program

Overview

The key elements of the Company's compensation program consist of fixed compensation in the form of base salary, and the discretion to award variable compensation in the forms of incentive cash compensation and equity awards. The Compensation Committee's policies with respect to each of these elements are discussed below. In addition, while the elements of compensation described below are considered separately, the Compensation Committee takes into account the full compensation package offered by the Company to the individual, including pension benefits, insurance and other benefits, as well as the programs described below.

Base Salary

The compensation philosophy of the Company is to maintain executive base salary at a competitive level to enable the Company to attract and retain executives and key talent needed to accomplish the Company's goals. In determining the appropriate base salary levels and, to a lesser extent, other compensation elements, the Compensation Committee considers the scope of responsibility, prior experience and past accomplishments, and anticipated changes to future job responsibilities, as well as historical practices within the Company. Economic and business conditions affecting the Company are also considered. The Compensation Committee also considers historical levels of salary paid by the Company as well as the provisions in the various executives' employment contracts with the Company, which contracts are more fully discussed elsewhere in this proxy statement.

Periodic adjustments in base salary may be merit-based with respect to individual performance or tied to the Company's financial condition or other competitive factors. The Compensation Committee takes into account the effect of any transaction outside of the ordinary course of business that has been consummated during the relevant year and, where appropriate, also considers non-financial performance measures. These include the Company's competitive position, scientific developments and improvements in relations with employees and investors.

For Dr. Rose, Mr. Luckshire and Dr. Hruby, we paid as base salary in 2011 the amounts required under their effective employment agreements. These amounts were reviewed and set by our Compensation Committee. These base salary levels reflect our Compensation Committee's subjective judgment, which took into account each executive's respective position and tenure, our present needs, the executive's individual performance, achievements and prior contributions and anticipated performance levels.

On March 17, 2011, Dr. Hruby's base salary was adjusted from \$275,000 to \$338,683. Subsequently, on December 8, 2011, we agreed to pay to Dr. Hruby an annual base salary of \$500,000. On January 13, 2012, Dr. Rose's annual base salary was adjusted from \$400,000 to \$700,000. These actions reflect the Compensation Committee's consideration of market comparisons provided by its compensation consultant, the Company's award of the BARDA Contract, historical levels of salary paid by the Company and the executive's respective contributions to SIGA's overall performance and length of service.

Annual Incentive Compensation

The Compensation Committee, in its discretion, may establish cash incentive programs and otherwise award bonuses to executive officers and key employees. Annual incentive compensation to our executive officers is payable pursuant to contractual provisions with certain executives that provide eligibility to receive discretionary bonuses, in the sole discretion of the Board of Directors or Compensation Committee based on the executive's performance, economic and business conditions affecting the Company, and the financial condition of the Company. The Compensation Committee approved or made recommendations to the Board of Directors with respect to such amounts.

In January 2012, Dr. Rose received a discretionary cash bonus of \$1,000,000. In its evaluation of Dr. Rose, the Compensation Committee did not have any pre-established goals or targets identified, however, in its determination as to the amount of bonus to be awarded, the Compensation Committee considered: the overall management of the Company; the progress achieved by our drug candidates; the establishment and maintenance of successful relationships with the Company's various funding and research partners and actual and potential customers; successful relations with the Board of Directors and the shareholders; and importantly, Dr. Rose's substantive role in negotiating and managing the BARDA Contract. Specifically, Dr. Rose's contributions to the following achievements were taken into consideration in determining the cash bonus:

- Signing of the BARDA Contract and the substantive progress in the performance of the BARDA Contract pursuant to which we agreed to deliver two million courses of ST-246 for consideration of approximately \$435 million over a five-year base term; and
- Commencement and continuing commercialization of our lead drug, ST-246.

In 2011, Mr. Luckshire received a discretionary cash bonus of \$200,000. In its evaluation of Mr. Luckshire, the Compensation Committee did not have any pre-established goals or targets identified, however, in its determination as to the amount of bonus to be awarded, the Compensation Committee considered: Mr. Luckshire's role in achieving our goals; Mr. Luckshire's relationships with shareholders and potential investors; Mr. Luckshire's efforts with respect to financial regulatory compliance and the preparation of and compliance with the Company's budget; and, importantly, Mr. Luckshire's substantive role in negotiating and managing the BARDA Contract. Specifically, Mr. Luckshire's contributions to the following achievements were taken into consideration in determining the cash bonus:

- Signing of the BARDA Contract and the substantive progress in the performance of the BARDA Contract pursuant to which we agreed to deliver two million courses of ST-246 for consideration of approximately \$435 million over a five-year base term; and
- Commencement and continuing commercialization of our lead drug, ST-246.

In 2011, Dr. Hruby was contractually entitled to a guaranteed cash bonus of \$75,000. Also in 2011, Dr. Hruby received a discretionary bonus of \$275,000. In its evaluation of Dr. Hruby, the Compensation Committee did not have any pre-established goals or targets identified, however, in its determination as to the amount of discretionary bonus to be awarded, the Compensation Committee considered Dr. Hruby's achievement of program objectives within budgetary requirements, new grants and other third-party funding obtained, relationships with regulators and current and possible future scientific partners, compliance with grant requirements and management of the Company's research facility located in Corvallis, Oregon and, importantly, Dr. Hruby's substantive role in managing the BARDA Contract. Specifically, Dr. Hruby's contributions to the following achievements were taken into consideration in making the \$275,000 discretionary award:

- Signing of the BARDA Contract and the substantive progress in the performance of the BARDA Contract pursuant to which we agreed to deliver two million courses of ST-246 for consideration of approximately \$435 million over a five-year base term;
- Continued leadership in interactions with the Food and Drug Administration (FDA) to develop a plan to achieve regulatory approval of ST-246; and
- Successful leadership of the negotiation and implementation of development contracts for IV formulation and prophylaxis relating to ST-246, antiviral therapeutics for flavivirus infections and antiviral drugs for arenaviruses.

We believe that the annual incentive bonuses can motivate and encourage our executives to fulfill our objectives and provide us with the opportunity to recognize superior individual performance.

Long-Term Incentive Awards

The Compensation Committee believes that granting equity-based incentives can provide officers and employees with a strong economic interest in maximizing stock price appreciation over the long term. The Committee also believes that the practice of granting equity-based incentives can be useful in retaining and recruiting the key talent necessary to ensure the Company's continued success. This element of compensation is governed by the 2010 Plan which provides for grants of incentive stock options (ISOs); nonqualified stock options; stock appreciation rights; restricted stock units (RSUs); and shares of restricted and unrestricted stock to our executives, directors and employees. The 2010 Plan is administered by our Compensation Committee, which reviews management's recommendations concerning persons to be granted awards, and determines the number of and type of equity-based awards to be granted to each such person, and the terms and conditions of any grant as permitted under the 2010 Plan. For the grant of stock options, the exercise price is set by the Compensation Committee and has been at a price at least equal to the market price of the Common Stock on the date of the grant. In May 2011, the 2010 Plan was amended to provide for the issuance of RSUs. Refer to pages 37 and 39 of this Proxy for a detailed description of how RSUs work under the 2010 Plan. In February 2012, the 2010 Plan was amended to provide for the issuance of stock appreciation rights. Refer to pages 37 and 39 of this Proxy for a detailed description of how stock appreciation rights work under the 2010 Plan.

In determining the size of a share-based award to a named executive officer, the Compensation Committee considers not only competitive market factors, changes in responsibility and the executive officer's achievement of pre-established goals, but also the number, term and vesting of stock-based awards previously granted to the officer. The Compensation Committee may also consider the total compensation package or changes made thereto, when determining whether to make a stock-based award. The number of shares granted to each named executive officer is determined by the Compensation Committee based on its consideration of the named executive officer's individual responsibilities and ability to significantly enhance key company initiatives. In connection with its review of compensation matters for the Company's executive officers, the Compensation Committee also reviews information regarding the overall compensation, including stock-based awards, of similarly situated executives at peer companies. The Compensation Committee makes recommendations to the Board of Directors with respect to such awards based on the foregoing facts.

In 2011, the Compensation Committee approved the issuance of 245,000 shares of restricted stock and 245,000 RSUs to Dr. Rose in recognition of his service to the Company. This award was based on Dr. Rose's long-term contribution to the strategic development of SIGA's business model and with consideration of equity awards made to Dr. Rose in the past. The award fully vested during 2011.

In February 2012, the Compensation Committee determined that each of the named executive officers was entitled to awards of RSUs using the same factors outlined in the preceding Annual Incentive Compensation section. Consequently, each of Dr. Rose, Mr. Luckshire and Dr. Hruby received shares of RSUs in the amounts of 200,000, 35,000 and 75,000, respectively. Each RSU converts to one share of common stock and vests in equal annual installments over a period of three (3) years.

Also in February 2012, SIGA issued stock-settled stock appreciation rights (SSARs) to employees to provide an appropriate incentive structure to the employee base in light of the decline in SIGA s stock price notwithstanding the substantial accomplishments of SIGA in 2011. Among awards to employees, Dr. Rose, Mr. Luckshire and Dr. Hruby received 465,000, 132,000 and 375,000 SSARs, respectively. SSARs that were issued to employees are capped at maximum values. In accordance with the terms of the SSARs issuance, each of Dr. Rose s SSARs has a maximum value of \$4.50; each of Mr. Luckshire s SSARs has a maximum value of \$11.00; and 337,500 of Dr. Hruby s SSARs each have a maximum value of \$4.50 and 37,500 of Dr. Hruby s SSARs each have a maximum value of \$7.00. The respective maximum values represent the market price per share at the exercise date and will be reduced by the \$3.53 exercise price of the SSARs. Consequently upon exercise, Dr. Rose, Mr. Luckshire and Dr. Hruby would receive a potential maximum number of shares of 100,234, 89,640 and 91,340, respectively. SSARs have a term of seven (7) years and vest in equal annual installments over a period of three (3) years.

Additional Benefits and Perquisites

Our officers and key employees are entitled to participate in the benefit plans which are generally available to all employees, including health, dental, life, and accidental disability. For each of these benefit plans, the Company makes contributions to the premiums paid to the plans. The Company also offers a 401(k) defined contribution plan, but it makes no contribution to the 401(k) plan. In each case, we provide these benefits to our executive officers on the same basis as our other employees.

Severance and Change in Control Agreements

We also provide some of our executive officers with severance and change in control arrangements in their employment contracts. We believe that severance and change of control packages are a common characteristic of compensation for key executive officers. They are intended to provide our executive officers with a sense of security in making the commitment to dedicate their professional careers to our success. Due to our size relative to other public companies and our operating history, we believe that severance and change in control arrangements are necessary to help us attract and retain necessary skilled and qualified executive officers to continue to grow our business.

Our Compensation Policies

Section 162(m) Policy

The Compensation Committee has found it unnecessary to consider the applicability of Section 162(m) of the Internal Revenue Code (the Code) because no executive officer receives compensation in excess of one million dollars.

Common Share Ownership Requirements

While we have not adopted a formal written policy on common share ownership requirements, part of our compensation philosophy involves common share ownership by our executive officers, because we believe that it helps to align their financial interests with those of our stockholders. We also recognize, on the other hand, that our executive officers cannot acquire more than 10% of our common shares without triggering adverse tax consequences. In addition, we expect our executive officers to abide by the provisions of our 2004 Policy on Confidential Information and Insider Trading.

Timing of Awards

Our Compensation Committee has the authority to issue equity awards under our incentive plan. We expect that the Compensation Committee will continue making equity awards to our executive officers and key employees when appropriate. The Compensation Committee strives to ensure that any award is made in such a manner to avoid even the appearance of manipulation because of its award date.

Financial Restatement

Although we have not adopted a formal written policy, it is our Board of Directors informal policy that the Compensation Committee will, to the extent permitted by governing law, have the sole and absolute authority and discretion in consultation with the Board of Directors, to make retroactive adjustments to any cash or equity based incentive payments to executive officers where the payment was based upon the achievement of certain financial results that were subsequently the subject of a restatement, without regard to misconduct being involved. If the Compensation Committee chose to exercise this discretion, we would seek to recover any amount determined to have been improperly paid to the executive officer.

Summary Compensation Table

The following table sets forth the total compensation of the Company's Named Executive Officers for the fiscal year ended December 31, 2011:

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (1)	Stock Awards (\$ (2)	Option Awards (\$ (2)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Eric A. Rose, M.D. Chief Executive Officer	2011	400,000	1,000,000	6,967,800 (2)	64,957	-	-	8,432,757 (2)
	2010	400,000	-	-	162,441	-	-	562,441
	2009	400,000	-	-	481,112	-	-	881,112
Daniel J. Luckshire Chief Financial Officer (3)	2011	356,061	200,000	-	258,515	-	-	814,576
Dennis E. Hruby, Ph.D. Chief Scientific Officer	2011	335,803	350,000	-	60,952	-	-	746,755
	2010	275,000	150,000	-	111,222	-	-	536,222
	2009	275,000	150,000	-	218,773	-	-	643,773
Ayelet Dugary Chief Financial Officer (4)	2011	241,176	-	-	56,271	-	-	297,447
	2010	225,000	50,000	-	53,919	-	-	328,919
	2009	225,000	50,000	-	80,703	-	-	355,703

- (1) Bonuses are shown in the year in which they were accrued and earned.
- (2) Stock options and stock awards represent the grant date fair value calculated in accordance with the authoritative accounting literature and recognized for financial statement purposes. Dr. Rose's stock award represents a grant of 245,000 restricted shares and 245,000 RSUs and for purposes of the presentation in this table, grant date fair value was calculated based on a share price for SIGA's Common Stock of \$14.22. These securities were granted to Dr. Rose in May 2011; the restricted shares vested immediately and the RSUs vested in November 2011. The value of the RSUs that vested in November was \$514,500, or \$2.10 per share, as of the date of vesting, which resulted in the actual value received by Dr. Rose in connection with the grant of 490,000 restricted shares and stock units to be \$3,998,400. The actual value received by Dr. Rose was treated as ordinary income and as such he was subject to and paid tax on such amounts.

In addition, in 2011, options to purchase 600,000 shares of Common Stock at an exercise price of \$2.50 per share of Common Stock previously granted to Dr. Rose expired without being exercised by Dr. Rose due to a lengthy and unanticipated blackout period imposed by the Company which prohibited the sale of such shares. These options were granted to Dr. Rose in May 2001.

- (3) Mr. Luckshire was hired on February 10, 2011 to serve as Executive Vice President and Chief Financial Officer; his employment was effective on the same date.
- (4) Ms. Dugary became Acting Chief Financial Officer on February 1, 2009 and Chief Financial Officer on April 29, 2009. On February 25, 2011, the Company and Ms. Dugary agreed not to extend the terms of Ms. Dugary's employment agreement, and effective as of the same date, Ms. Dugary's employment as Chief Financial Officer ceased.

Grants of Plan-Based Awards

The following table sets forth equity awards granted to our Named Executive Officers for the year ended December 31, 2011. There were no non-equity incentive plan awards granted in 2011:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (1)
Eric A. Rose (2)	5/17/2011	490,000	-	-	6,967,800
Daniel J. Luckshire (3)	2/10/2011	-	60,000	11.04	448,200
	2/10/2011	-	60,000	13.04	429,000

- (1)

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Represents the grant date fair value of stock option awards and stock awards granted in 2011 in accordance with the authoritative accounting literature and recognized for financial statement purposes.

- (2) Dr. Rose's award consisted of 245,000 RSUs and 245,000 shares of restricted stock. Dr. Rose's restricted stock vested upon the grant date and the RSUs vested on November 30, 2011. Also refer to footnote 2 included in the Summary Compensation Table.
- (3) Mr. Luckshire was hired on February 10, 2011 to serve as Executive Vice President and Chief Financial Officer; his employment was effective on the same date. As part of his employment agreement, Mr. Luckshire received 120,000 stock options which vest in equal annual installments over a period of three (3) years.

The Compensation Committee determined that it was in the best interest of the Company to issue equity-based awards to motivate the aforementioned executive officers to contribute to our growth and to continue their service to the Company. The amount and type of these equity-based awards granted to each named executive officer were determined by the Committee based on its consideration of the named executive officer's individual responsibilities and ability to significantly enhance key company initiatives.

2011 Equity Awards

All of the stock options, RSUs and restricted stock awards disclosed in the Grants of Plan-Based Awards table were issued under the 2010 Plan. All options were granted with an exercise price per share equal to or greater than the fair market value of our Common Stock on the date of grant, as determined by our Board of Directors in accordance with the terms of the 2010 Plan.

Employment Agreements

We currently have employment agreements with Dr. Rose, Mr. Luckshire and Dr. Hruby.

Eric A. Rose Chief Executive Officer

On January 31, 2007, we entered into an employment agreement with Eric A. Rose, M.D., pursuant to which he became our Chief Executive Officer, effective as of March 1, 2007. Pursuant to the employment agreement, Dr. Rose was paid an annual base salary of \$400,000. Moreover, Dr. Rose was eligible to receive a bonus payment (in either cash or stock options) as determined by the Board of Directors in its sole discretion. On January 13, 2012, Dr. Rose's existing employment agreement was amended. Pursuant to the amended employment agreement (the "Amended Rose Agreement"), we agreed to pay to Dr. Rose an annual base salary of \$700,000, subject to any cost of living adjustments as may be approved by our Board of Directors. Under the terms of the Amended Rose Agreement, Dr. Rose is also eligible to receive an annual cash bonus, the target of which is \$350,000, as determined by the Board of Directors in its sole discretion. The current term of his employment agreement expires on December 31, 2012, and will renew for additional one (1) year periods unless notice of non-renewal is given. Details with respect to our severance obligations to Dr. Rose are set forth below under the heading "Potential Payments upon Termination or Change in Control."

Daniel J. Luckshire Chief Financial Officer

On February 10, 2011, we entered into an executive employment agreement with Mr. Daniel J. Luckshire, our current Chief Financial Officer. The current employment agreement expires on February 10, 2013. Pursuant to the employment agreement, we agreed to pay Mr. Luckshire: an annual base salary of \$400,000, subject to any cost of living or merit increases as may be approved by our Board of Directors, an annual cash bonus, the target of which is 50% of the base salary, as determined by the Board of Directors in its sole discretion, and an annual stock bonus, the target of which is \$300,000 in restricted shares of Common Stock, as determined by the Board of Directors in its sole discretion. Details with respect to our severance obligations to Mr. Luckshire are set forth below under the heading "Potential Payments upon Termination or Change in Control."

Dennis E. Hruby Chief Scientific Officer

On March 11, 2009, we amended Dr. Hruby's employment agreement whereby we agreed to pay Dr. Hruby an annual base salary of \$275,000, subject to any cost of living adjustments as may be approved by our Board of Directors, and an annual cash bonus of no less than \$75,000 and no more than \$150,000. On March 15, 2011, we further amended Dr. Hruby's base salary to an annual amount of \$338,680. On December 31, 2011, Dr. Hruby's employment agreement was further amended (the "Amended Hruby Agreement"). Pursuant to the Amended Hruby Agreement, Dr. Hruby's base salary was adjusted to an annual amount of \$500,000, subject to any cost of living adjustments as may be approved by the Board of Directors, and an annual cash bonus, the target of which is \$250,000, as determined by the Board of Directors in its sole discretion. In addition, Dr. Hruby is eligible for a one-time additional bonus equal to \$350,000 of which \$100,000 was paid in 2011. The remainder of the one-time bonus will be paid upon the earlier of: (i) approval by FDA of a New Drug Application for ST-246 for a smallpox or orthopox treatment indication consistent with the contract line items in the BARDA Contract; (ii) approval of a Marketing Authorization Application by the European Medicines Agency for ST-246 for a smallpox or orthopox treatment indication; or (iii) approval by FDA of an Emergency Use Authorization, or a similar designation such as a contingency Investigational New Drug, that would permit use of ST-246 for the treatment of smallpox or another orthopox virus disease in case of a public health emergency. Unless either party provides notice of its desire not to renew the Amended Hruby Agreement thirty (30) days prior to the expiration of the then-current term, the Amended Hruby Agreement shall automatically renew for additional one (1) year periods. Details with respect to our severance obligations to Dr. Hruby are set forth below under the heading "Potential Payments upon Termination or Change in Control."

Ayelet Dugary Chief Financial Officer

On March 11, 2009, we amended Ayelet Dugary's existing employment agreement, and pursuant to such amendment she became our Acting Chief Financial Officer, effective as of February 1, 2009. On April 29, 2009, Ms. Dugary became our Chief Financial Officer. Pursuant to her employment agreement, as amended, we agreed to pay Ms. Dugary an annual base salary of \$225,000, subject to any cost of living adjustments as may have been approved by our Board of Directors, and an annual cash bonus of \$50,000. Ms. Dugary was also eligible to receive bonus payments (in either cash or stock options) as may have been approved by the Board of Directors in its sole discretion.

By mutual agreement between Ms. Dugary and the Company, Ms. Dugary's employment with the Company ceased effective February 25, 2011 (the Separation Effective Date).

In connection with Ms. Dugary's departure, the Company entered into a Separation and Consulting Agreement (the Dugary Separation Agreement) with Ms. Dugary on the Separation Effective Date. Pursuant to the Dugary Separation Agreement, Ms. Dugary resigned as Chief Financial Officer and Secretary effective immediately.

Pursuant to the Dugary Separation Agreement, Ms. Dugary received her base salary for a period of one year following the Separation Effective Date. The Dugary Separation Agreement further provided that any unvested stock options would vest immediately and become exercisable. Furthermore, all outstanding stock options granted to Ms. Dugary under the equity incentive plan in effect prior to the 2010 Plan and the 2010 Plan were extended for a period of not less than one year from the Separation Effective Date (to the extent they would have expired earlier).

Finally, pursuant to the Dugary Separation Agreement, Ms. Dugary was engaged as a consultant to SIGA for a period that continued for 90 days from the date of termination for a fee of \$45,000.

Outstanding Equity Awards at Fiscal Year End

The following table provides certain summary information concerning unexercised options and equity incentive plan awards for each Named Executive Officer as of December 31, 2011:

Name	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Eric A. Rose, M.D.	10,000	-	-	1.22	6/2/2015	-	-	-	-
	10,000	-	-	2.72	12/19/2016	-	-	-	-
	200,000	-	-	3.10	7/26/2017	-	-	-	-
	100,000	-	300,000	2.49	11/14/2018	-	-	-	-
Daniel J. Luckshire (1)	-	-	60,000	11.04	2/10/2021	-	-	-	-
	-	-	60,000	13.04	2/10/2021	-	-	-	-
Dennis E. Hruby, Ph.D.	150,000	-	-	1.40	6/29/2014	-	-	-	-
	100,000	-	200,000	3.10	7/26/2017	-	-	-	-
	33,333	-	16,667	4.70	3/5/2019	-	-	-	-
Ayelet Dugary (2)	-	-	-	-	-	-	-	-	-

(1)