

Pacira Pharmaceuticals, Inc.
Form DEF 14A
April 25, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

PACIRA PHARMACEUTICALS, 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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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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PACIRA PHARMACEUTICALS, INC.

**5 Sylvan Way, Suite 100
Parsippany, New Jersey 07054**

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

To be held June 11, 2013

You are cordially invited to attend the 2013 Annual Meeting of Stockholders (the "Annual Meeting") of Pacira Pharmaceuticals, Inc., which is scheduled to be held on Tuesday, June 11, 2013, at 2:00 p.m. Eastern Daylight Time, at our corporate headquarters, 5 Sylvan Way, Suite 100, Parsippany, New Jersey 07054.

Only stockholders who owned common stock at the close of business on April 18, 2013 can vote at the Annual Meeting or any adjournment that may take place. At the Annual Meeting, the stockholders will:

1. Elect three Class II directors of our board of directors to serve until the 2016 annual meeting of stockholders (Proposal 1);
2. Ratify the appointment of CohnReznick LLP as the Company's independent registered public accounting firm for the current fiscal year (Proposal 2);
3. Hold an advisory vote to approve the compensation of our named executive officers (Proposal 3);
4. Hold an advisory vote on the frequency of future advisory votes to approve the compensation of our named executive officers (Proposal 4); and
5. Transact any other business properly brought before the Annual Meeting.

You can find more information, including the nominees for directors and details regarding executive compensation, in the attached Proxy Statement.

The board of directors recommends that you vote in favor of each of proposals 1, 2, and 3, and in favor of a frequency of every year with respect to proposal 4, each as outlined in the attached Proxy Statement.

We cordially invite all stockholders to attend the Annual Meeting in person. Stockholders of record at the close of business on April 18, 2013, the record date for the Annual Meeting, are entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. You may obtain directions to the location of the Annual Meeting by calling our offices at 973-254-3560. Whether or not you expect to attend the Annual Meeting in person, please execute your vote promptly by following the instructions contained in the Notice of Internet Availability of Proxy Materials that was provided to you or as described under "How to Vote" on page 2 of the Proxy Statement. If you execute your vote prior to the Annual Meeting and then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

By order of the Board of Directors,

/s/ JAMES SCIBETTA

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James Scibetta
Chief Financial Officer and Secretary

Parsippany, NJ
April 25, 2013

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE EXECUTE YOUR VOTE PROMPTLY BY FOLLOWING THE INSTRUCTIONS CONTAINED IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS THAT WAS PROVIDED TO YOU OR AS DESCRIBED UNDER "HOW TO VOTE" ON PAGE 2 OF THE PROXY STATEMENT. THIS WILL ENSURE THE PRESENCE OF A QUORUM AT THE MEETING. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON IF YOU WISH TO DO SO EVEN IF YOU HAVE PREVIOUSLY VOTED.

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PACIRA PHARMACEUTICALS, INC.

5 Sylvan Way, Suite 100
Parsippany, New Jersey 07054
(973) 254-3560

**PROXY STATEMENT
FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS
to be held on June 11, 2013**

This proxy statement contains information about the 2013 Annual Meeting of Stockholders of Pacira Pharmaceuticals, Inc. (the "Annual Meeting") to be held on Tuesday, June 11, 2013, at 2:00 p.m. Eastern Daylight Time, at our corporate headquarters, 5 Sylvan Way, Suite 100, Parsippany, New Jersey 07054. This proxy statement, or a Notice of Internet Availability of Proxy Materials, will first be made available to stockholders on or about April 25, 2013. It is furnished to stockholders of Pacira Pharmaceuticals, Inc. in connection with the solicitation of proxies by our board of directors. In this proxy statement, unless expressly stated otherwise or the context otherwise requires, the use of "Pacira," "Company," "our," "we" or "us" refers to Pacira Pharmaceuticals, Inc. and its subsidiaries.

Under rules of the Securities and Exchange Commission, we are furnishing proxy materials to our stockholders on the Internet, rather than mailing printed copies to our stockholders. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one as instructed in that notice. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials on the Internet. This proxy statement and our 2012 annual report to stockholders are available at www.proxyvote.com.

All properly submitted proxies will be voted in accordance with the instructions contained in those proxies. If no instructions are specified, the proxies will be voted in accordance with the recommendation of our board of directors with respect to each of the matters set forth in the accompanying Notice of Meeting.

IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Purpose of the Annual Meeting

At the Annual Meeting, our stockholders will consider and vote on the following matters:

1. To elect three Class II directors of our board of directors to serve until the 2016 annual meeting of stockholders (Proposal 1);
2. To ratify the appointment of CohnReznick LLP as our independent registered public accounting firm for the current fiscal year (Proposal 2);
3. To hold an advisory vote to approve the compensation of our named executive officers (Proposal 3);
4. To hold an advisory vote on the frequency of future advisory votes to approve the compensation of our named executive officers (Proposal 4); and
5. To transact any other business properly brought before the Annual Meeting.

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As of the date of this proxy statement, we are not aware of any business to come before the meeting other than Proposals 1, 2, 3, and 4, noted above.

Who Can Vote at the Annual Meeting

Only stockholders of record at the close of business on the record date of April 18, 2013, are entitled to receive notice of the Annual Meeting and to vote the shares of Pacira common stock that they held on that date. As of the close of business on April 18, 2013, there were 33,006,992 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

Difference between a "stockholder of record" and a beneficial owner of shares held in "street name"

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare, then you are considered a "stockholder of record" of those shares. In this case, a Notice of Internet Availability of Proxy Materials or, if requested, a set of proxy materials has been sent to you directly by us.

Beneficial Owners of Shares Held in Street Name. If your shares are held in a brokerage account or by a bank, trust or other nominee or custodian, then you are considered the beneficial owner of those shares, which are held in "street name." In this case, a Notice of Internet Availability of Proxy Materials or, if requested, a set of proxy materials has been forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to instruct that organization as to how to vote the shares held in your account.

How to Vote

If you are a shareholder of record, you can vote your shares over the Internet as described in the Notice of Internet Availability of Proxy Materials that was mailed to you, or if you have received or requested a hard copy of this proxy statement and accompanying form of proxy card you may vote by telephone as described on the proxy card, or by mail by marking, signing, dating and mailing your proxy card in the postage-paid envelope provided. Your designation of a proxy is revocable by following the procedures outlined in this proxy statement. The method by which you vote will not limit your right to vote in person at the Annual Meeting. If you receive hard copy materials and sign and return your proxy card without specifying choices, your shares will be voted as recommended by our board of directors.

If you hold your shares through a broker, bank, or other nominee in "street name," you need to submit voting instructions to your broker, bank or other nominee in order to cast your vote. The Notice of Internet Availability of Proxy Materials that was mailed to you has specific instructions for how to submit your vote, or if you have received or requested a hard copy of this proxy statement you may mark, sign, date and mail the accompanying voting instruction form in the postage-paid envelope provided. Your vote is revocable by following the procedures outlined in this proxy statement. However, since you are not a stockholder of record you may not vote your shares in person at the Annual Meeting without obtaining authorization from your broker, bank or other nominee.

Telephone and Internet voting for stockholders of record will be available up until 11:59 PM Eastern Daylight Time on June 10, 2013, and mailed proxy cards must be received by June 10, 2013 in order to be counted at the Annual Meeting. If the Annual Meeting is adjourned or postponed, these deadlines may be extended.

The voting deadlines and availability of telephone and Internet voting for beneficial owners of shares held in "street name" will depend on the voting processes of the organization that holds your

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shares. Therefore, we urge you to carefully review and follow the voting instructions card and any other materials that you receive from that organization.

Ballot Measures Considered "Routine" and "Non-Routine"

The ratification of the appointment of CohnReznick LLP as Pacira's independent registered public accounting firm for 2013 (Proposal 2) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal 2. A broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instruction from the beneficial owner of the shares and no instruction is given.

The election of directors (Proposal 1), the advisory vote to approve the compensation of our named executive officers (Proposal 3), and the advisory vote to approve the frequency of future advisory votes to approve the compensation of our named executive officers (Proposal 4) are matters considered non-routine under applicable rules. A broker or other nominee cannot vote without instructions on non-routine matters, and therefore there may be broker non-votes on Proposals 1, 3, and 4.

Quorum

A quorum of stockholders is necessary to hold a valid meeting. Our amended and restated bylaws provide that a quorum will exist if stockholders holding a majority of the outstanding shares of common stock are present at the meeting in person or by proxy. Abstentions and broker non-votes count as present for establishing a quorum, provided that the broker has voted on at least the ratification of the appointment of our auditors, but will not be counted as votes cast. If a quorum is not present, the meeting may be adjourned until a quorum is obtained.

Votes Required to Elect Directors and Approve Proposals

To be elected, director nominees must receive a plurality of the votes cast (the three nominees receiving the highest number of "FOR" votes cast will be elected). "WITHHOLD" votes and broker non-votes will have no effect on the outcome of Proposal 1. Cumulative voting is not permitted. See "Corporate Governance Majority Vote Director Resignation Policy" (below) regarding director nominees who receive a greater number of votes "WITHHELD" from their election than votes "FOR" such election.

The affirmative vote of a majority of the shares of common stock present or represented by proxy and cast at the meeting ("FOR" or "AGAINST") is required to (a) ratify the appointment of CohnReznick LLP as Pacira's independent registered public accounting firm (Proposal 2), and (b) approve the advisory resolution to approve the compensation of our named executive officers (Proposal 3). Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of these proposals.

Proposal 4 asks stockholders to approve, on an advisory basis, the frequency (every one year, every two years or every three years) of the advisory vote to approve the compensation of our named executive officers. The voting frequency option that receives the highest number of votes cast by the holders of shares of common stock present or represented by proxy and entitled to vote on the proposal will be deemed the frequency for the advisory vote to approve executive compensation that has been approved, on an advisory basis, by stockholders. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome of this proposal.

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Board of Directors Recommendation

Our board of directors recommends that you vote:

FOR the election of each of the three nominees to serve on our board of directors, each for a three-year term;

FOR the ratification of the selection of CohnReznick LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013;

FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement; and

FOR a frequency of every year for future advisory votes to approve the compensation of our named executive officers.

Revoking a Proxy; Changing Your Vote

If you are a stockholder of record, you may revoke your proxy before the vote is taken at the meeting by:

submitting a new proxy with a later date before the applicable deadline either signed and returned by mail or transmitted using the telephone or Internet voting procedures described in the "How to Vote" section above;

by voting in person at the meeting; or

by filing a written revocation with our corporate Secretary.

If your shares are held in "street name," you may submit new voting instructions by contacting your broker or other organization holding your account. You may also vote in person at the Annual Meeting, which will have the effect of revoking any previously submitted voting instructions, if you obtain a legal proxy from the organization that holds your shares as described in the "How to Vote" section above.

Your attendance at the Annual Meeting will not automatically revoke your proxy.

Solicitation Costs

The Company will bear all expenses incurred in connection with the solicitation of proxies. The Company will reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of common stock. The Company's directors, officers and employees also may solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

Voting Results

We will announce preliminary voting results at the Annual Meeting and will publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

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PROPOSAL NO. 1 ELECTION OF CLASS II DIRECTORS

Our board of directors currently consists of eight members. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal.

In accordance with the terms of our restated certificate of incorporation and amended and restated bylaws, our board of directors is divided into three classes: Class I, Class II and Class III, with each class serving staggered three-year terms. Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires. The members of the classes are divided as follows:

Class I: Laura Brege and Luke Evnin, and their term expires at the annual meeting of stockholders to be held in 2015.

Class II: Paul Hastings, John Longenecker and Andreas Wicki, and their term expires at the 2013 Annual Meeting.

Class III: Fred Middleton, Gary Pace and David Stack, and their term expires at the annual meeting of stockholders to be held in 2014.

Our restated certificate of incorporation and amended and restated bylaws provide that the authorized number of directors may be changed only by resolution of the board of directors. Our restated certificate of incorporation and amended and restated bylaws also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Nominees for Election as Class II Directors

Biographical information for our directors who are up for re-election at our 2013 Annual Meeting is set forth below.

	Age	Director Since
<p><i>Paul Hastings</i> has served as our director since June 2011. Mr. Hastings has been the president and chief executive officer of OncoMed Pharmaceuticals, Inc. since January 2006. Prior to joining OncoMed, Mr. Hastings was president and chief executive officer of QLT, Inc. Before this role, Mr. Hastings served as president and chief executive officer of Axy's Pharmaceuticals, Inc., which was acquired by Celera Corporation in 2001. Prior to Axy's, Mr. Hastings was president of Chiron Biopharmaceuticals and also held a variety of management positions of increasing responsibility at Genzyme Corporation, including president of Genzyme Therapeutics Europe and president of Worldwide Therapeutics. Mr. Hastings was Chairman of the Board of Proteolix (sold to Onyx) and was a member of the board of directors of ViaCell Inc. (sold to Perkin Elmer). Mr. Hastings currently serves on the board of directors of Relypsa Inc., a clinical-stage biopharmaceutical company, and the Bay Area Biosciences Association (Bay Bio), and he is Chair of the Emerging Companies Section of the Biotechnology Industry Organization. He received a Bachelor of Science degree in pharmacy from the University of Rhode Island. We believe Mr. Hastings' qualifications to sit on our board of directors include his financial expertise and his extensive experience in the pharmaceutical and biotechnology industries.</p>	53	June 2011

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	Age	Director Since
<p>John Longenecker, Ph.D. has served as our director since July 2007. Dr. Longenecker has served as president and chief executive officer of HemaQuest Pharmaceuticals, Inc. since October 2010. From December 2009 to March 2010, Dr. Longenecker served as the president and chief executive officer of VitreoRetinal Technologies Inc. From February 2002 to January 2009, Dr. Longenecker was the president and chief executive officer and a member of the board of directors of Faville, Inc. In 1992, Dr. Longenecker joined DepoTech as senior vice president of research, development and operations and then served as president and chief operating officer from February 1998 to March 1999. Under Dr. Longenecker's leadership, DepoTech took its lead product, DepoCyt(e), from early pre-clinical research and development through to commercial launch. Following SkyePharma PLC's acquisition of DepoTech in 1999, Dr. Longenecker served as president for the U.S. operations of SkyePharma, Inc. and as a member of the executive committee for SkyePharma PLC. From 1982 to 1992, Dr. Longenecker was at Scios Inc. (Cal Bio), a biotechnology company where he served as vice-president and director of development. Dr. Longenecker was also a director of a number of Cal Bio subsidiaries during this period including Meta Bio and Karo Bio. Dr. Longenecker holds a B.S. in chemistry from Purdue University and a Ph.D. in biochemistry from The Australian National University. He was a post-doctoral fellow at Stanford University from 1980 to 1982. Dr. Longenecker's experience as the president of a public company demonstrates his leadership capability, extensive knowledge of complex financial and operational issues that public companies face, a thorough understanding of our business and industry, and business acumen to our board of directors. We believe Dr. Longenecker's extensive experience in the pharmaceutical and biotechnology industries provides valuable background and insight to our board of directors.</p>	65	July 2007

<p>Andreas Wicki, Ph.D. has served as our director since our inception in December 2006. Dr. Wicki is a life sciences entrepreneur and investor with over 20 years of experience in the pharmaceutical and biotechnology industries. Dr. Wicki has been chief executive officer of HBM Partners AG and HBM Healthcare Investments AG (formerly HBM BioVentures AG) since 2001. From 1998 to 2001, Dr. Wicki was the senior vice president of the European Analytical Operations at MDS Inc. From 1990 to 1998, he was co-owner and chief executive officer of ANAWA Laboratorien AG and Clinserve AG, two life sciences contract research companies. From 2007 to 2011, he served as a member of the board of directors of PharmaSwiss SA. Previously, Dr. Wicki held board positions on several privately-held companies and companies listed on international exchanges. Dr. Wicki holds an M.Sc. and Ph.D. in chemistry and biochemistry from the University of Bern, Switzerland. He currently serves on the board of directors of Buchler GmbH, HBM BioPharma India Ltd., HBM Healthcare Investments (Cayman) Ltd., HBM Partners Ltd., and HBM BioCapital Ltd. We believe Dr. Wicki's qualifications to sit on our board of directors include his extensive experience with pharmaceutical companies, his financial expertise and his years of experience providing strategic and advisory services to pharmaceutical and biotechnology organizations.</p>	54	December 2006
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The proxies will be voted in favor of the nominees unless a contrary specification is made in the proxy. The nominees have consented to serve as directors of Pacira if elected. However, if any of the

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nominees are unable to serve or for good cause will not serve as a director, the persons named in the proxy intend to vote in their discretion for one or more substitutes who will be designated by our board of directors.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS VOTING "**FOR**" ELECTING EACH NOMINEE.

Directors Continuing in Office

Biographical information for our directors continuing in office is set forth below.

	Age	Director Since
<i>Class III Directors (Term Expires at 2014 Annual Meeting)</i>		
<p>Fred Middleton has served as our director since our inception in December 2006. Since 1987, he has been a general partner/managing director of Sanderling Ventures, a firm specializing in biomedical venture capital. From 1984 through 1986, he was the managing general partner of Morgan Stanley Ventures, an affiliate of Morgan Stanley & Co. Earlier in his career, Mr. Middleton was part of the of the founding management team at Genentech, Inc., a biotechnology company, serving there from 1978 through 1984 as vice president of finance and corporate development, and chief financial officer. During the last 30 years, he has participated in active management roles and as an investor and director in over 20 start-up biomedical companies. He currently serves as a director of Stereotaxis, Inc. (NASDAQ: STXS), a medical device company that markets magnetically guided robotic surgery systems in cardiology, and Endocyte, Inc. (NASDAQ: ECYT), a biopharmaceutical company developing targeted therapies for the treatment of cancer and inflammatory diseases. He served as a director of Cardionet, Inc. (NASDAQ: BEAT), a company that markets devices and services for wireless 24/7 real time monitoring of patients, from 2000 to May 2011. He also serves as a director of seven other privately-held biomedical companies, engaged in the development of therapeutic and diagnostic products in healthcare. Mr. Middleton received a B.S. degree in chemistry from the Massachusetts Institute of Technology and an M.B.A. from Harvard Business School. We believe Mr. Middleton's qualifications to sit on our board of directors include his extensive experience with biopharmaceutical and biotechnology companies, his financial expertise and his years of experience providing strategic advisory services to healthcare companies.</p>	63	December 2006

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	Age	Director Since
<p>Gary Pace, Ph.D. has served as our director since June 2008. He is currently founder and chairman of the privately held Sova Pharmaceuticals Inc., founded in 2010. He is also founder, director and consultant to QRxPharma Ltd. (ASX:QRX) founded in 2001, a director of ResMed (NYSE:RMD) since 1994 and Transition Therapeutics Inc. (CDNX:TTH) since 2002. He previously served as a member of the board of directors at Celsion Corporation (NASDAQ: CLSN) from 2002 to 2010 and Peplin Inc. (ASX: PLI) from 2004 to 2009. He has more than 40 years of experience in the development and commercialization of advanced technologies, spanning biotechnology, pharmaceuticals, medical devices, and food industries. Dr. Pace was awarded a Centenary Medal by the Australian Government in 2003 "for service to Australian society in research and development" and was recognized as the 2011 Director of the Year (corporate governance) by the San Diego Directors Forum. Dr. Pace holds a B.Sc. with honors from the University of New South Wales and a Ph.D. from Massachusetts Institute of Technology. We believe Dr. Pace's qualifications to sit on our board of directors include his financial expertise and his years of experience providing strategic advisory services to complex organizations, including as a public company director.</p>	65	June 2008
<p>David Stack has served as our president and chief executive officer and as a director since November 2007. Mr. Stack has been a managing director of MPM Capital since 2005 and a managing partner of Stack Pharmaceuticals, Inc. since 1998. From 2001 to 2004, he was president and chief executive officer of The Medicines Company (NASDAQ: MDCO). Previously, Mr. Stack was president and general manager at Innovex, Inc. He was vice president, business development/marketing at Immunomedics from 1993 until 1995. Prior to that, he was with Roche Laboratories in positions of increasing responsibility from 1981 until 1993, including therapeutic world leader in infectious disease and director, business development and planning, infectious disease, oncology, and virology. He currently serves as a member of the board of directors of PepTx, Inc., Medivo, Inc. and Amarin Corporation plc. He was a member of the boards of directors of Molecular Insight Pharmaceuticals, Inc. (NASDAQ: MIPI) from 2006 to 2010 and BioClinica, Inc. (NASDAQ: BIOC) from 1999 to 2010. Mr. Stack holds a B.S. in pharmacy from Albany College of Pharmacy and a B.S. in Biology from Siena College. We believe Mr. Stack's qualifications to sit on our board of directors include his extensive experience with pharmaceutical companies, his financial expertise and his years of experience providing strategic and financial advisory services to pharmaceutical and biotechnology organizations, including evaluating business strategy and commercial planning.</p>	61	November 2007

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	Age	Director Since
<i>Class I Directors (Term Expires at 2015 Annual Meeting)</i>		
<p><i>Laura Brege</i> has served as our director since June 2011. Since September 2012, she has served as the president and chief executive officer of Nodality, Inc. Previously, Ms. Brege held the roles of chief operating officer and executive vice president and chief business officer for Onyx. Prior to joining Onyx in 2006, Ms. Brege was a general partner at Red Rock Capital Management, a venture capital firm, and senior vice president and chief financial officer at COR Therapeutics, Inc. Ms. Brege currently serves as a director of Acadia Pharmaceuticals Inc. (NASDAQ: ACAD) and Delcath Systems, Inc. (NASDAQ: DCTH). She previously served as a member of the board of directors of Angiotech Pharmaceuticals Inc. from 2007 to 2011. Ms. Brege earned her undergraduate degree from Ohio University and has an M.B.A. from the University of Chicago. We believe Ms. Brege's qualifications to sit on our board of directors include her extensive experience in the pharmaceutical and biotechnology industries, including as a public company director.</p>	55	June 2011
<p><i>Luke Evnin, Ph.D.</i> has served as our director since our inception in December 2006. Dr. Evnin has served as a general partner or managing director at MPM Capital since co-founding the firm in 1997. Prior to joining MPM, Dr. Evnin was at Accel Partners from 1990 to 1997, serving as general partner from 1994 to 1997. Dr. Evnin currently serves as director of EnteroMedics Inc. (NASDAQ: ETRM). He has previously been a member of the boards of EPIX Pharmaceuticals, Inc. (NASDAQ: EPIX), Metabasis Therapeutics, Inc. (NASDAQ: MBRX), Oscient Pharmaceuticals Corporation (NASDAQ: OSCI), Restore Medical, Inc., and Otix Global, Inc. (NASDAQ: OTIX), formerly known as Sonic Innovations, Inc. and Signal Pharmaceuticals, Inc. Mr. Evnin is currently or has been a director of several private healthcare companies in both the medical device and biopharmaceutical sectors. Dr. Evnin earned his Ph.D. in biochemistry from the University of California, San Francisco and his A.B. in molecular biology from Princeton University. We believe Dr. Evnin's qualifications to sit on our board of directors include his extensive experience with biopharmaceutical and biotechnology companies, his financial expertise and his years of experience providing strategic advisory services to diverse companies.</p>	49	December 2006

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The following sets forth certain information with respect to the executive officers of the Company.

Name	Age	Position(s)
David Stack	61	President and Chief Executive Officer, Director
James Scibetta	48	Chief Financial Officer
Gary Patou, M.D.	54	Chief Medical Officer
Taunia Markvicka, Pharm D	44	Vice President, Commercial
Lauren Riker	34	Executive Director, Accounting & Reporting
John Pratt	69	General Manager, San Diego Facility

David Stack see "*Class III Directors (Term Expires at 2014 Annual Meeting)*" above.

James Scibetta has served as our chief financial officer since August 2008. Prior to that, Mr. Scibetta was chief financial officer of Bioenvision, Inc. (NASDAQ: BIVN) from 2006 until its acquisition by Genzyme, Inc. in 2007. From 2001 to 2006, Mr. Scibetta was executive vice president and chief financial officer of Merrimack Pharmaceuticals, Inc., and he was a member of the board of directors of Merrimack from 1998 to 2004. Mr. Scibetta formerly served as a senior investment banker at Shattuck Hammond Partners, LLC and PaineWebber Inc., providing capital acquisition, merger and acquisition, and strategic advisory services to healthcare companies. He currently serves as chairman of the board and audit committee of Nephros, Inc. (NASDAQ: NEPH). Mr. Scibetta holds a B.S. in physics from Wake Forest University, and an M.B.A. in finance from the University of Michigan. He completed executive education studies in the Harvard Business School Leadership & Strategy in Pharmaceuticals and Biotechnology program.

Gary Patou, M.D. has served as our chief medical officer since March 2009. Dr. Patou has been a managing director of MPM Capital since 2005. He has served as chief medical officer of the following MPM Capital portfolio companies: Peplin, Ltd. (ASX: PLI), from June 2006 to April 2007 and from June 2008 to May 2009, Cerimon Pharmaceuticals, Inc., from June 2005 to June 2006, and Oscient Pharmaceuticals, Inc., from February 2004 to April 2005. From 2001 to 2004, he was president of Genesoft and from 1995 to 2000, Dr. Patou worked at SmithKline Beecham Pharmaceuticals, now a unit of GlaxoSmithKline (LSE: GSK), where he held positions of increasing responsibility including senior vice president and director, project and portfolio management. From 1991 to 1995, he held increasing senior, director level positions at Vernalis (LSE: VER), formerly British Biotechnology. He currently serves as a member of the board of directors of Xenon Pharmaceuticals, Inc. He served as a member of the board of directors of Oscient Pharmaceuticals Corporation (NASDAQ: OSCI) from 2005 to 2008. Dr. Patou has held a number of academic appointments at University College & Middlesex School of Medicine in London and holds an M.D. from University College, London.

Taunia Markvicka, Pharm. D. has served as our Vice President, Commercial since November 2010. Dr. Markvicka is a partner at Stack Pharmaceuticals, Inc., a commercialization, marketing, and strategy firm, in addition to her role at Pacira. Her most recent pharmaceutical positions include serving as a franchise marketing director at The Medicines Company for cardiovascular and hematology acute care products. Previously, Dr. Markvicka was Marketing Director at Watson Pharmaceuticals, where she oversaw marketing, medical marketing and new product planning for urology and general products. She was also with Advantage Healthcare, a strategic marketing and new product planning firm, as a Vice President, for two years. She joined the pharmaceutical industry, initially taking a two year post-doctoral fellowship position with Sandoz (now Novartis). Dr. Markvicka holds a Doctor of Pharmacy degree from the University of Nebraska, an MBA from St. Joseph's University, and she maintains her license as a registered pharmacist.

Lauren Riker has served as our principal accounting officer since March 2012 and our Executive Director, Accounting and Financial Reporting since March 2011. Prior to joining us, Ms. Riker served

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as Senior Director of Financial Reporting at Ikaria, Inc. ("Ikaria"), a private critical care biopharmaceutical company, from April 2008 to April 2011, where she was responsible for the oversight, monitoring and review of Ikaria's financial reporting, technical accounting and stock-based compensation program. From December 2004 to February 2008, Ms. Riker served as the Controller and later the Chief Accounting Officer of Bioenvision, Inc., ("Bioenvision") a publicly traded biotechnology company. Her responsibilities at Bioenvision included preparation of the financial statements and disclosures in accordance with United States generally accepted accounting principles and the reporting requirements of the SEC and implementation of internal controls and procedures in compliance with Sarbanes-Oxley. From 2000 to 2004, Ms. Riker worked at KPMG in the Information, Communication and Entertainment sector where she held positions of increasing responsibility, including Audit Manager. Ms. Riker holds a B.S. in accounting from Boston College and an M.B.A. from Columbia Business School.

John Pratt, has served as the General Manager of our San Diego facility since January 2012. Prior to joining us, Mr. Pratt was a general manager of Amylin Ohio LLC ("Amylin Ohio"), a subsidiary of Amylin Pharmaceuticals, from 2006 to 2011. In that role, Mr. Pratt managed a 305-person operations team while simultaneously directing Amylin Ohio's commercial operations and leading the design, construction and FDA acceptance of a 550,000 square foot, state-of-the-art manufacturing, inspection and packaging facility. Prior to his employment with Amylin Ohio, Mr. Pratt was employed by Novo Nordisk, where he held various senior management roles related to manufacturing operations and quality control. Mr. Pratt has a B.S. in Microbiology/Chemistry from the University of Montana and took post-graduate coursework at the University of Washington.

Family Relationships

There are no family relationships among any of our directors or executive officers.

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CORPORATE GOVERNANCE

Director Nomination Process

Our nominating and corporate governance committee is responsible for identifying individuals qualified to serve as directors, consistent with criteria approved by our board, and recommending the persons to be nominated for election as directors, except where we are legally required by contract, law or otherwise to provide third parties with the right to nominate.

The process followed by our nominating and governance committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the committee and our board.

The nominating and corporate governance committee evaluates potential candidates, taking into account several factors, including, without limitation, the individual's (a) reputation for integrity, honesty and adherence to high ethical standard; (b) understanding of the Company's business and industry; (c) business acumen, experience, and ability to exercise sound judgments in matters that relate to the current and long-term objectives of the Company; and (d) willingness and ability to commit adequate time to board and committee matters and to contribute positively to the decision-making process of the Company. The committee does not have a formal policy regarding board diversity. In selecting director nominees, the committee focuses on identifying individuals who will further the interests of our stockholders through his or her established record of professional accomplishment and will contribute positively to the collaborative culture among board members.

Stockholders may recommend individuals to our nominating and corporate governance committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and, if the stockholder is not a stockholder of record, a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the nominating and corporate governance committee, c/o Corporate Secretary, Pacira Pharmaceuticals, Inc., 5 Sylvan Way, Suite 100, Parsippany, New Jersey 07054. Assuming that appropriate biographical and background material has been provided on a timely basis, the committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. Stockholders also have the right under our amended and restated bylaws to nominate director candidates directly, without any action or recommendation on the part of the committee or the board, by following the procedures set forth below under the heading "Stockholder Proposals."

Majority Vote Director Resignation Policy

Our board of directors has implemented a Majority Vote Director Resignation Policy in our Corporate Governance Guidelines. Under the policy, any director nominee who receives a greater number of "WITHHOLD" votes than "FOR" votes in an uncontested election must promptly tender his or her resignation to the board following certification of the stockholder vote. Within 90 days following the certification of the vote, the independent directors on the board would consider the offer of resignation and determine whether to accept or reject the tendered resignation. If the independent directors determine not to accept the tendered resignation, we will publicly disclose (via press release or SEC filing) such determination and the factors considered by the independent directors in making such determination.

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Director Independence

Our board of directors has determined that each of our directors, with the exception of David Stack and Gary Pace, is an "independent director" as defined under the applicable NASDAQ Marketplace Rules. In making such independence determination, the board of directors considered the relationships that each such non-employee director has with us and all other facts and circumstances that the board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In considering the independence of our directors, our board of directors considered the association of our directors with the holders of more than 5% of our common stock.

We have entered into a consulting agreement with Dr. Pace, pursuant to which Dr. Pace provides consulting services to us in the manufacturing area as Technical Advisor to the Chief Executive Office and the board of directors. Pursuant to the consulting agreement, Dr. Pace is currently compensated at the rate of \$15,000 per month and has received options to purchase 100,000 shares of our common stock. See "Related Person Transactions Consulting Agreement with Gary Pace" below for more information. As a result of Dr. Pace's compensation arrangements under the consulting agreement, the board determined that he does not qualify as an "independent director" under applicable NASDAQ rules. As a result, Dr. Pace resigned from his position as chairman of the nominating and corporate governance committee in June 2012, and John Longenecker assumed the position of chairman of the nominating and corporate governance committee.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees operate under a charter that has been approved by our board of directors. Each committee charter is available by clicking on the "Investors & Media" section of our corporate website, located at <http://www.pacira.com>.

Audit Committee

The members of our audit committee are John Longenecker, Paul Hastings and Laura Brege, who chairs the committee. Our audit committee met eight times during 2012. Our board of directors has determined that each of the directors serving on our audit committee, are independent within the meaning of The NASDAQ Marketplace Rules and Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In addition, our board of directors has determined that Ms. Brege qualifies as an audit committee financial expert within the meaning of SEC regulations and The NASDAQ Marketplace Rules. In making this determination, our board has considered the formal education and nature and scope of her previous experience, coupled with past and present service on various audit committees. Our audit committee assists our board of directors in its oversight of our accounting and financial reporting process and the audits of our financial statements. Our audit committee's responsibilities include:

appointing, evaluating, retaining and, when necessary, terminating the engagement of our independent registered public accounting firm;

overseeing the independence of our independent registered public accounting firm, including obtaining and reviewing reports from the firm;

setting the compensation of our independent registered public accounting firm;

overseeing the work of our independent registered public accounting firm, including receiving and considering reports made by our independent registered public accounting firm regarding accounting policies and procedures, financial reporting and disclosure controls;

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reviewing and discussing with management and our independent registered public accounting firm our audited financial statements and related disclosures;

preparing the annual audit committee report required by SEC rules;

coordinating the board's oversight of internal control over financial reporting, disclosure controls and procedures and code of conduct;

reviewing our policies with respect to risk assessment and risk management;

establishing procedures related to the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters;

reviewing our policies and procedures for reviewing and approving or ratifying related person transactions, including our related person transaction policy; and

meeting independently with management and our independent registered public accounting firm.

All audit services to be provided to us and all non-audit services, other than de minimis non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Compensation Committee

The members of our compensation committee are Luke Evnin, John Longenecker, Fred Middleton, and Paul Hastings, who chairs the committee. Our compensation committee met five times during 2012. Our compensation committee assists our board of directors in the discharge of its responsibilities relating to the compensation of our executive officers. Our compensation committee's responsibilities include:

reviewing and recommending to the board of directors our chief executive officer's compensation, and approving the compensation of our other executive officers reporting directly to our chief executive officer;

overseeing the evaluation of our senior executives;

overseeing, administering, reviewing and making recommendations to the board of directors with respect to our incentive compensation and equity-based plans;

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

when applicable to us, reviewing and discussing with management the compensation discussion and analysis and preparing the annual compensation committee report, as required by SEC rules.

Nominating and Corporate Governance Committee

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The members of our nominating and corporate governance committee are Fred Middleton, Laura Brege, Paul Hastings, and John Longenecker, who chairs the committee. Our nominating and corporate governance committee met one time during 2012. The nominating and corporate governance committee's responsibilities include:

recommending to the board of directors the persons to be nominated for election as directors or to fill any vacancies on the board of directors, and to be appointed to each of the board's committees;

developing and recommending to the board of directors corporate governance guidelines; and

overseeing an annual self-evaluation of the board of directors.

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Board and Committee Meetings Attendance

The full board of directors met fifteen times during 2012. During 2012, each member of the board of directors attended in person or participated in 75 percent or more of the aggregate of (i) the total number of meetings of the board of directors (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the board of directors on which such person served (during the periods that such person served).

Director Attendance at Annual Meeting of Stockholders

We do not have a formal policy regarding attendance by members of our board of directors at our annual meetings of stockholders. Our practice, however, is to have a meeting of the board immediately following the annual meeting of stockholders. All eight members of our board attended the annual meeting of stockholders in 2012.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A current copy of the code is posted on the Corporate Governance section of our website, which is located at www.pacira.com. If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

Board Leadership Structure and Board's Role in Risk Oversight

Our board of directors does not have a policy regarding separation of the roles of chief executive officer and chairman of the board. The board believes it is in our best interests to make that determination based on circumstances from time to time. Currently, the positions of our chairman of the board and chief executive officer are separated. Our board of directors believes that this structure allows our chief executive officer to focus on our day-to-day business, while allowing the chairman of the board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors also believes that this structure ensures a greater role for the independent directors in the oversight of our company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of our board of directors. Our board of directors believes its administration of its risk oversight function has not affected its leadership structure.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including those described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012. Our board of directors is actively involved in oversight of risks that could affect us. This oversight is conducted primarily by our full board of directors, which has responsibility for general oversight of risks.

Our board of directors satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within our company. Our audit committee oversees risk management activities related to financial controls and legal and compliance risks. Our com