



Arena Pharmaceuticals Reports Inducement Grants Under Nasdaq Listing Rule 5635(c)(4)

March 18, 2020

SAN DIEGO, March 18, 2020 /PRNewswire/ -- [Arena Pharmaceuticals, Inc.](#) (Nasdaq: ARNA) today announced that on March 12, 2020, the Compensation Committee of its Board of Directors approved inducement stock options and inducement performance restricted stock units ("PRSUs") to new employees that were granted as inducement material to the new employees entering into employment with Arena in accordance with Nasdaq Listing Rule 5635(c)(4). These grants include:

- Options to purchase an aggregate of 132,000 shares of its common stock to Joan Schmidt, Executive Vice President, General Counsel and Secretary, with a grant date and vesting commencement date of March 15, 2020, and an exercise price of \$41.25 per share, the closing price of Arena's common stock on March 13, 2020 (which is the last date preceding the grant date on which the closing price of Arena's common stock was reported);
- Options to purchase an aggregate of 132,000 shares of its common stock to Laurie Stelzer, Executive Vice President and Chief Financial Officer, with a grant date and vesting commencement date of March 16, 2020, and an exercise price of \$36.33 per share, the closing price of Arena's common stock on the grant date;
- PRSUs to Ms. Stelzer at a target amount of 6,300 shares and with a grant date of March 16, 2020; and
- Options to purchase an aggregate of 31,200 shares of its common stock to seven new employees, with a grant date and vesting commencement date of March 15, 2020, and an exercise price of \$41.25 per share, the closing price of Arena's common stock on March 13, 2020 (which is the last date preceding the grant date on which the closing price of Arena's common stock was reported).

The inducement stock options are non-qualified stock options, have a seven-year term and vest over four years, with 25% of the shares vesting on the one-year anniversary of the vesting commencement date and the remaining 75% of the shares vesting in equal monthly installments over the following 36 months, subject to the new employee's continued service with Arena through the applicable vesting dates. The inducement PRSUs represent a contingent right to receive a number of shares of Arena's common stock equal to 200% of the number of target PRSUs, which shares shall vest, if at all, upon the closing price of Arena's common stock reaching certain thresholds during the performance period from the grant date through January 3, 2022 and satisfaction of a continuing service requirement. The inducement stock options and inducement PRSUs are subject to the terms and conditions of Arena's Amended and Restated 2017 Long-Term Equity Incentive Plan.

About Arena Pharmaceuticals

[Arena Pharmaceuticals](#) is uniquely positioned to develop best-in-disease medicines with optimized efficacy and safety for patients globally. Our drive to deliver a robust pipeline of novel, transformational medicines is grounded in two decades of world class G-protein-coupled receptor (GPCR) discovery research.

It is the breadth and depth of our portfolio, prioritization of drug development to meet unmet patient needs, strong financial health and growing, bold-thinking world-class team that gives Arena the ingredients and passion to build a sustainable, vibrant next-generation pharmaceutical company.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about Arena's position, drive, portfolio, prioritization, financial position, team, and building of the company. For such statements, Arena claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Arena's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include those disclosed in Arena's filings with the Securities and Exchange Commission. These forward-looking statements represent Arena's judgment as of the time of this release. Arena disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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