

ELEVEN BIOTHERAPEUTICS, INC.

FORM DEF 14A (Proxy Statement (definitive))

Filed 05/07/15 for the Period Ending 06/16/15

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**UNITED STATES
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SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Eleven Biotherapeutics, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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May 7, 2015

Dear Eleven Biotherapeutics, Inc. Stockholder:

You are cordially invited to our Annual Meeting of Stockholders on June 16, 2015, beginning at 10:00 a.m., Eastern time, at WilmerHale LLP, 60 State Street, Boston, Massachusetts 02109. The enclosed notice of annual meeting of stockholders sets forth the proposals that will be presented at the meeting, which are described in more detail in the enclosed proxy statement. Our board of directors recommends that you vote "FOR" Proposals 1 and 2, as set forth in the proxy statement.

We look forward to seeing you there.

Very truly yours,

Abbie C. Celniker, Ph.D.
Chief Executive Officer

ELEVEN BIOTHERAPEUTICS, INC.
215 First Street, Suite 400
Cambridge, MA 02142

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
to be held on Tuesday, June 16, 2015

The 2015 Annual Meeting of Stockholders (the "2015 Annual Meeting") of Eleven Biotherapeutics, Inc., a Delaware corporation (the "Company"), will be held on June 16, 2015, beginning at 10:00 a.m., Eastern time, at WilmerHale LLP, 60 State Street, Boston, Massachusetts 02109, to consider and act upon the following matters:

1. To elect three class I directors of our board of directors to serve until the 2018 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified;
2. To ratify the selection of Ernst & Young LLP as Eleven Biotherapeutics' independent registered public accounting firm for the fiscal year ending December 31, 2015; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on May 1, 2015 will be entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

By order of the board of directors,

Abbie C. Celniker, Ph.D.
Chief Executive Officer

Cambridge, Massachusetts
May 7, 2015

YOU MAY OBTAIN ADMISSION TO THE ANNUAL MEETING BY IDENTIFYING YOURSELF AT THE ANNUAL MEETING AS A STOCKHOLDER AS OF THE RECORD DATE. IF YOU ARE A RECORD OWNER, POSSESSION OF A COPY OF A PROXY CARD WILL BE ADEQUATE IDENTIFICATION. IF YOU ARE A BENEFICIAL (BUT NOT RECORD) OWNER, A COPY OF AN ACCOUNT STATEMENT FROM YOUR BANK, BROKER OR OTHER NOMINEE SHOWING SHARES HELD FOR YOUR BENEFIT ON MAY 1, 2015 WILL BE ADEQUATE IDENTIFICATION.

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO HELP ENSURE REPRESENTATION OF YOUR SHARES AT THE ANNUAL MEETING. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED IN THE UNITED STATES. ALTERNATIVELY, YOU MAY SUBMIT YOUR VOTE VIA THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS SET FORTH ON THE ENCLOSED PROXY CARD.

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**ELEVEN BIOTHERAPEUTICS, INC.
215 First Street, Suite 400
Cambridge, MA 02142**

**PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON TUESDAY, JUNE 16, 2015**

Information About the Annual Meeting and Voting

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors (the “board of directors” or the “board”) of Eleven Biotherapeutics, Inc. (“Eleven,” “we” or “us”) for use at the 2015 Annual Meeting of Stockholders (the “Annual Meeting”) to be held on Tuesday, June 16, 2015, beginning at 10:00 a.m., Eastern time, at WilmerHale LLP, 60 State Street, Boston, Massachusetts 02109. On May 1, 2015, the record date for the determination of stockholders entitled to vote at the Annual Meeting, there were outstanding and entitled to vote an aggregate of 19,371,411 shares of our common stock, par value \$0.001 per share (“common stock”). Each share of common stock entitles the record holder thereof to one vote on each of the matters to be voted on at the Annual Meeting.

Your vote is important no matter how many shares you own. Please take the time to vote. Take a moment to read the instructions below. Choose the way to vote that is easiest and most convenient for you, and cast your vote as soon as possible.

If you are the “record holder” of your shares, meaning that you own your shares in your own name and not through a bank, broker or other nominee, you may vote in one of four ways:

- (1) *You may vote over the Internet.* You may vote your shares by following the “Vote by Internet” instructions on the enclosed proxy card. If you vote over the Internet, you do not need to vote by telephone or complete and mail your proxy card.
- (2) *You may vote by telephone.* You may vote your shares by following the “Vote by Phone” instructions on the enclosed proxy card. If you vote by telephone, you do not need to vote over the Internet or complete and mail your proxy card.
- (3) *You may vote by mail.* You may vote by completing, dating and signing the proxy card delivered with this proxy statement and promptly mailing it in the enclosed postage-paid envelope. If you vote by mail, you do not need to vote over the Internet or by telephone.
- (4) *You may vote in person.* If you attend the Annual Meeting, you may vote by delivering your completed proxy card in person or you may vote by completing a ballot at the Annual Meeting. Ballots will be available at the Annual Meeting.

All proxies that are executed or are otherwise submitted over the Internet or by telephone will be voted on the matters set forth in the accompanying Notice of Annual Meeting of Stockholders in accordance with the stockholders’ instructions. However, if no choice is specified on a proxy as to one or more of the proposals, the proxy will be voted in accordance with the board of directors’ recommendations on such proposals as set forth in this proxy statement.

After you have submitted a proxy, you may still change your vote and revoke your proxy prior to the Annual Meeting by doing any one of the following things:

- submitting a new proxy by following the “Vote by Internet” or “Vote by Phone” instructions on the enclosed proxy card up until 11:59 p.m., Eastern time, the day before the Annual Meeting;
- signing another proxy card and either arranging for delivery of that proxy card by mail prior to the start of the Annual Meeting, or by delivering that signed proxy card in person at the Annual Meeting;

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- giving our Secretary a written notice before or at the Annual Meeting that you want to revoke your proxy; or
- voting in person at the Annual Meeting.

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

If the shares you own are held in “street name” by a bank, broker or other nominee record holder, which, for convenience, we collectively refer to in this proxy statement as brokerage firms, your brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your brokerage firm provides you. Many brokerage firms also offer the option of providing for voting over the Internet or by telephone, instructions for which, if available, would be provided by your brokerage firm on the voting instruction form that it delivers to you. Because most brokerage firms are member organizations of the New York Stock Exchange, or NYSE, the rules of the NYSE will likely govern how your brokerage firm would be permitted to vote your shares in the absence of instruction from you. Under the current rules of the NYSE, if you do not give instructions to your brokerage firm, it will still be able to vote your shares with respect to certain “discretionary” items, but will not be allowed to vote your shares with respect to certain “non-discretionary” items. The ratification of Ernst & Young LLP as our independent registered public accounting firm (Proposal 2) is considered to be a discretionary item under the NYSE rules, and your brokerage firm will be able to vote on that item even if it does not receive instructions from you, so long as it holds your shares in its name. The election of class I directors (Proposal 1) is a “non-discretionary” item, meaning that if you do not instruct your brokerage firm on how to vote with respect to Proposal 1, your brokerage firm will not vote with respect to that proposal and your shares will be counted as “broker non-votes.” “Broker non-votes” are shares that are held in “street name” by a brokerage firm that indicates on its proxy that it does not have or did not exercise discretionary authority to vote on a particular matter.

If your shares are held in street name, you must bring an account statement from your brokerage firm showing that you are the beneficial owner of the shares as of the record date (May 1, 2015) in order to be admitted to the Annual Meeting. To be able to vote your shares held in street name at the Annual Meeting, you will need to obtain a proxy card from the holder of record.

Votes Required

The holders of a majority of the shares of our common stock issued and outstanding and entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. Shares of common stock represented in person or by proxy (including shares which abstain or do not vote with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum is present at the Annual Meeting. The following votes are required for approval of the proposals being presented at the Annual Meeting:

Proposal 1: To Elect Three Class I Directors. The three nominees for director receiving the highest number of votes “FOR” election will be elected as directors. This is called a plurality.

Proposal 2: To Ratify the Selection of Ernst & Young LLP as Eleven’s Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2015. The affirmative vote of the holders of shares of common stock representing a majority of the votes cast on the matter is required for the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.

Shares that abstain from voting as to a particular matter and shares held in “street name” by brokerage firms who indicate on their proxies that they do not have discretionary authority to vote such shares as to a particular matter will not be counted as votes in favor of such matter, and will also not be counted as shares voting on such matter. Accordingly, abstentions and “broker non-votes” will have no effect on the voting on the proposals referenced above.

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This proxy statement, the enclosed proxy card and our 2014 annual report to stockholders were first made available to stockholders on or about May 7, 2015.

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to Be Held on June 16, 2015:**

**This proxy statement and our 2014 annual report to
stockholders are available at www.proxydocs.com/ebio
for viewing, downloading and printing.**

A copy of our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission, or SEC, except for exhibits, will be furnished without charge to any stockholder upon written or oral request to Eleven Biotherapeutics, Inc., 215 First Street, Suite 400 Cambridge, MA 02142, Attention: Corporate Secretary, Telephone: (617) 858-9911.

CORPORATE GOVERNANCE

Board of Directors

Members of Our Board of Directors

The following table sets forth the name and age as of May 1, 2015 of each of our directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Abbie C. Celniker, Ph.D.	56	President and Chief Executive Officer and Director
Daniel S. Lynch(1)(2)(3)	57	Chairman of the Board of Directors
David A. Berry, M.D., Ph.D.(2)	37	Director
Paul G. Chaney(2)	57	Director
Wendy Dixon Ph.D.(1)	59	Director
Jay S. Duker, M.D.	56	Director
Barry J. Gertz, M.D., Ph.D.	63	Director
Jane V. Henderson(1)(3)	49	Director
Cary G. Pfeffer, M.D.(3)	52	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Corporate Governance Committee.

Abbie C. Celniker, Ph.D. has served as our President and Chief Executive Officer and as a member of our board of directors since September 2011. Prior to joining Eleven, Dr. Celniker served as the Executive Vice President, Translational Medicine of Alexion Pharmaceuticals, Inc., a biopharmaceutical company, from January 2011 to August 2011. Prior to joining Alexion Pharmaceuticals, Dr. Celniker served as the President and Chief Executive Officer and as a member of the board of directors of Taligen Therapeutics, Inc., a biotechnology company, from July 2008 to January 2011, when Taligen Therapeutics was acquired by Alexion Pharmaceuticals. Previously, Dr. Celniker served as the Global Head of Biologics of Novartis AG, the Senior Vice President of Research and Development Strategy and Operations of Millennium Pharmaceuticals, Inc. and the Vice President Protein Technologies of the Wyeth Research facilities in Cambridge, Massachusetts. Dr. Celniker received a B.A. in Biology from the University of California, San Diego, and a Ph.D. in Molecular Biology from the University of Arizona. We believe that Dr. Celniker is qualified to serve on our board of directors because of her extensive executive leadership experience in the life sciences industry and her extensive knowledge of our company based on her position as President and Chief Executive Officer.

Daniel S. Lynch has served as the Chairman of our board of directors since December 2013. Mr. Lynch has served as a venture partner at Third Rock Ventures, a venture capital firm, since May 2013 and as an entrepreneur-in-residence from May 2011 to May 2013. Since 2005, Mr. Lynch has served on the boards of directors of several life sciences companies, including on the board of directors of BIND Therapeutics, Inc. since 2012 and on the board of directors of bluebird bio, Inc. since 2011 and as executive chairman of the board of directors for Blueprint Medicines Corp. since 2012. Prior to that, Mr. Lynch served as the Chief Financial Officer and then the Chief Executive Officer of ImClone Systems Inc. Mr. Lynch received a B.A. in Mathematics from Wesleyan University and a M.B.A. from the Darden Graduate School of Business Administration at the University of Virginia. We believe that Mr. Lynch is qualified to serve on our board of directors because of his experience as a senior executive and service on the boards of directors of other life sciences companies.

David A. Berry, M.D., Ph.D. has served as a member of our board of directors since August 2009. Dr. Berry has been with Flagship Ventures, a venture capital firm, since 2005, where he has served as General Partner since 2015 and a Partner since 2008. Dr. Berry received a B.S. from the Massachusetts Institute of Technology, a M.D. from Harvard Medical School and a Ph.D. from the Massachusetts Institute of Technology. We believe that Dr. Berry is qualified to serve on our board of directors because of his extensive experience as a venture capital investor in the life sciences industry and his service on the boards of directors of other life sciences companies.

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Paul G. Chaney has served as a member of our board of directors since February 2014. Mr. Chaney is a co-founder of PanOptica, Inc., a private biopharmaceutical company focused on developing innovative ophthalmic therapeutics and has served as its President and Chief Executive Officer since 2009. Prior to co-founding PanOptica, Mr. Chaney was executive vice president of OSI Pharmaceuticals, Inc. and president of (OSI) Eyetech, Inc., OSI Pharmaceutical's wholly-owned eyecare subsidiary. Mr. Chaney joined Eyetech Pharmaceuticals as Chief Operating Officer in 2003. Prior to joining Eyetech, Mr. Chaney held a variety of senior management positions at Pharmacia Corporation, including Vice President of the Global Ophthalmology Business and Vice President of Global Pharmaceutical Ophthalmology. Mr. Chaney also serves as the chairman of the board of directors of Eyegate Pharmaceuticals, Inc. He began his career as a sales representative for The Upjohn Company in 1980. Mr. Chaney earned a dual degree in Biological Sciences and English from the University of Delaware. We believe that Mr. Chaney is qualified to serve on our board of directors because of his extensive executive leadership experience in ophthalmology-focused biotechnology companies and pharmaceutical company business units for 19 years.

Wendy L. Dixon, Ph.D. has served as a member of our board of directors since October 2014. Dr. Dixon has been the President of Great Meadow Consulting, L.L.C., a life science consulting firm, since July 2009. Additionally, Dr. Dixon has been an advisor to the Mellon Group since August 2014 and was a Senior Advisor to The Monitor Group, now Deloitte Consulting LLP, a consulting firm, from November 2010 to January 2012. Dr. Dixon has also been a member of the Industry Advisory Board of Longitude Capital, a venture capital firm, since March 2015. From 2001 to 2009, Dr. Dixon was the Chief Marketing Officer and President, Global Marketing for Bristol-Myers Squibb, where she served on the Executive Committee. From 1996 to 2001, she was the Senior Vice President, Marketing at Merck and Co., and prior to that, she held executive management positions at West Pharmaceuticals, Osteotech and Centocor and various positions at SmithKline and French (now GlaxoSmithKline) in marketing, regulatory affairs, project management and as a biochemist. Dr. Dixon serves on the board of directors of Alkermes plc, Incyte Corporation, bluebird bio, and Orexigen Therapeutics, and was formerly on the boards of Ardea Biosciences, when Ardea was acquired by AstraZeneca plc, Furiex Pharmaceuticals, when Furiex was acquired by Actavis plc, and Dentsply International. Dr. Dixon received a B.S. and a M.S. in Natural Science and a Ph.D. in Biochemistry from the University of Cambridge (UK). We believe that Dr. Dixon is qualified to serve on our board of directors because of her extensive executive leadership experience in and knowledge of the life sciences industry.

Jay S. Duker, M.D., has served as a member of our board of directors since January 2015. Dr. Duker has served in varying capacities at the New England Eye Center (NEEC) since January 1992, most recently as Director since 2001. He has also served as Professor and Chairman of the Department of Ophthalmology at Tufts Medical Center and the Tufts University School of Medicine since 2003. He has published more than 185 journal articles, with his major research interests including retinal imaging, in particular optical coherence tomography (OCT), retinal vascular diseases, and drug delivery to the posterior segment. His book, Yanoff and Duker's Ophthalmology, is one of the bestselling ophthalmic texts over the past decade. Dr. Duker is the co-founder of three companies including Hemera Biosciences, a biotech start-up whose focus is a gene therapy based treatment for age-related macular degeneration. Dr. Duker received an A.B. from Harvard University and a M.D. from the Jefferson Medical College at Thomas Jefferson University. We believe that Dr. Duker is qualified to serve on our board of directors because of his extensive clinical and academic experience in the ophthalmology field and as a co-founder of other life sciences companies.

Barry J. Gertz, M.D., Ph.D. has served as a member of our board of directors since January 2015. Since October 2014, Dr. Gertz has served as a venture partner at Clarus Ventures, a venture capital firm. Prior to his time with Clarus Ventures, Dr. Gertz served in varying roles at Merck & Co., Inc., a pharmaceutical company, from 1986 until July 2014, including as Senior Vice President from 2002 to 2014. Dr. Gertz has co-authored over 100 scientific publications and has been a contributor to the evaluation and approval of more than 25 new drugs or vaccines. Dr. Gertz received a B.A. in chemistry from the University of Pennsylvania. He subsequently received M.D. and Ph.D. degrees in the Medical Scientist Training Program at the University of Pennsylvania, School of Medicine with a Ph.D. in the Department of Pharmacology. We believe that Dr. Gertz is qualified to serve on our board of directors because of his extensive executive leadership experience in a pharmaceutical company and knowledge of the life sciences industry.

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Jane V. Henderson has served as a member of our board of directors since October 2013. Since February 2013, Ms. Henderson has served as the Senior Vice President, Chief Financial and Business Officer of Kolltan Pharmaceuticals, Inc., a biopharmaceutical company. Prior to joining Kolltan Pharmaceuticals, Ms. Henderson served as the Vice President, Business Development of ISTA Pharmaceuticals, Inc., an eye care company, from June 2010 to June 2012, when ISTA Pharmaceuticals was acquired by Bausch + Lomb Incorporated. Prior to joining ISTA Pharmaceuticals, Ms. Henderson served as the Executive Vice President, Chief Financial Officer and Head of Business Development of Axerion Pharmaceuticals, Inc., a pharmaceutical company, from September 2009 to June 2010, provided independent consulting services from February 2009 to September 2009 and served as the Executive Vice President, Chief Financial Officer and Chief Business Officer of Panacos Pharmaceuticals, Inc., a pharmaceutical company, from January 2008 to February 2009. Prior to that, Ms. Henderson served in a variety of senior investment banking roles at HSBC Holdings plc, Canadian Imperial Bank of Commerce, Lehman Brothers and Salomon Brothers. Ms. Henderson received a B.S. in Psychology from Duke University. We believe that Ms. Henderson is qualified to serve on our board of directors because of her extensive executive leadership experience in and knowledge of the life sciences industry and her extensive finance background as an investment banker for over 19 years.

Cary G. Pfeffer, M.D. has served as a member of our board of directors since August 2009. Since 2007, Dr. Pfeffer has served as a Partner of Third Rock Ventures. While at Third Rock Ventures, Dr. Pfeffer also served as our Chief Business Officer from February 2010 to September 2011. Dr. Pfeffer received a B.A. in Biochemistry from Columbia University, a M.B.A. from the Wharton School and a M.D. from the University of Pennsylvania School of Medicine. We believe that Dr. Pfeffer is qualified to serve on our board of directors because of his extensive experience as a venture capital investor in the life sciences industry, his service on the boards of directors of other life sciences companies, his prior service as our Chief Business Officer and his extensive executive leadership experience at other life science companies for over 15 years.

Board Composition

Our board of directors is currently authorized to have nine members and currently consists of nine members. Our board of directors is divided into three classes, with members of each class serving staggered three-year terms. The members of the classes are divided as follows:

- the class I directors are David Berry, Barry Gertz and Cary Pfeffer, and their term expires at the 2015 Annual Meeting;
- the class II directors are Paul Chaney, Jay Duker and Wendy Dixon, and their term expires at our annual meeting of stockholders to be held in 2016; and
- the class III directors are Abbie Celniker, Jane Henderson and Daniel Lynch, and their term expires at our annual meeting of stockholders to be held in 2017.

Upon the expiration of the term of a class of directors, directors in that class are eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires. Our directors may be removed only for cause by the affirmative vote of the holders of 75% or more of our voting stock.

Board Determination of Independence

Rule 5605 of the NASDAQ Marketplace Rules requires a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, the NASDAQ Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under Rule 5605(a)(2), a director will only qualify as an "independent director" if, in the opinion of our board of directors, that person does not have a relationship that would interfere with the exercise of

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independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries. In addition, in affirmatively determining the independence of any director who will serve on a company's compensation committee, Rule 10C-1 under the Exchange Act requires that a company's board of directors consider all factors specifically relevant to determining whether a director has a relationship to such company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by such company to the director; and (ii) whether the director is affiliated with the company or any of its subsidiaries or affiliates.

Our board of directors has determined that each of Dr. Berry, Mr. Chaney, Dr. Dixon, Dr. Duker, Dr. Gertz, Ms. Henderson, Mr. Lynch, and Dr. Pfeffer are independent as independence is currently defined in applicable NASDAQ listing standards, including for purposes of Rule 10A-3 under the Exchange Act and for purposes of Rule 10C-1 under the Exchange Act. Ms. Henderson, Mr. Lynch and Dr. Dixon are the current members of our audit committee; Mr. Lynch, Dr. Berry and Mr. Chaney are the current members of our compensation committee; and Mr. Lynch, Dr. Pfeffer and Ms. Henderson are the current members of our nominating and corporate governance committee. In making such determination, our board of directors considered the relationships that each such non-employee director has with Eleven, including each of the transactions described below in “—Board Policies—Related Person Transactions,” and all other facts and circumstances our board of directors deemed relevant in determining independence.

How Our Board Is Organized

Board Leadership Structure

The positions of chairman of the board of directors and chief executive officer are presently separated at our company. The duties of the chairman of the board include the following:

- chairing meetings of our board and of the independent directors in executive session;
- meeting with any director who is not adequately performing his or her duties as a member of our board or any committees;
- facilitating communications between other members of our board and the chief executive officer;
- determining the frequency and length of board meetings and recommending when special meetings of our board should be held;
- preparing or approving the agenda for each board meeting; and
- reviewing and, if appropriate, recommending action to be taken with respect to written communications from stockholders submitted to our board.

Our board of directors decided to separate the roles of chairman and chief executive officer because it believes that a bifurcated leadership structure offers the following benefits:

- increasing the independent oversight of our company and enhancing our board's objective evaluation of our chief executive officer;
- freeing the chief executive officer to focus on company operations instead of board administration;
- providing the chief executive officer with an experienced sounding board;
- providing greater opportunities for communication between stockholders and our board;

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- enhancing the independent and objective assessment of risk by our board; and
- providing an independent spokesman for our company.

Board Committees

Our board of directors has established an audit committee, a nominating and corporate governance committee, and a compensation committee, each of which operates under a charter that has been approved by our board. Copies of the committee charters are posted on the Investor Relations section of our website, which is located at ir.elevenbio.com.

Audit Committee

The members of our audit committee are Ms. Henderson, Dr. Dixon and Mr. Lynch. Ms. Henderson chairs our audit committee. Our audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports and other communications from such firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- overseeing our risk assessment and risk management policies;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- meeting independently with our internal auditing staff, our independent registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions; and
- preparing the audit committee report required by SEC rules.

All audit and 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.

Our board of directors has determined that each of Ms. Henderson and Mr. Lynch is an "audit committee financial expert" as defined in applicable SEC rules and that each qualifies as independent as defined under the applicable NASDAQ rules.

The audit committee met six times during 2014.

Compensation Committee

The members of our compensation committee are Mr. Lynch, Dr. Berry and Mr. Chaney. Mr. Lynch chairs our compensation committee. Our compensation committee's responsibilities include:

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

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- overseeing an evaluation of our senior executives;
- overseeing and administering our cash and equity incentive plans;
- retaining the services, following the determination of independence under applicable NASDAQ rules, of our compensation consultant, as well as overseeing and considering the recommendations of our compensation consultant;
- reviewing and making recommendations to our board with respect to director compensation;
- reviewing and discussing annually with management our compensation disclosure required by SEC rules; and
- preparing the compensation committee report required by SEC rules.

The processes and procedures followed by our compensation committee in considering and determining executive and director compensation are described below under “—Board Processes—Executive and Director Compensation Processes.”

The compensation committee met six times during 2014.

Nominating and Corporate Governance Committee

The members of our nominating and corporate governance committee are Mr. Lynch, Ms. Henderson and Dr. Pfeffer. Mr. Lynch chairs our nominating and corporate governance committee. Our nominating and corporate governance committee’s responsibilities include:

- identifying individuals qualified to become members of our board;
- recommending to our board the persons to be nominated for election as directors and to each of our board’s committees;
- reviewing and making recommendations to our board with respect to our board leadership structure;
- reviewing and making recommendations to our board with respect to management succession planning;
- developing and recommending to our board corporate governance principles; and
- overseeing a periodic evaluation of our board.

The nominating and corporate governance committee met one time during 2014.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or our compensation committee. None of the members of our compensation committee is, or has ever been, an officer or employee of our company.

Board Meetings and Attendance

Our board of directors met eight times during 2014. During 2014, each director attended at least 75% of the aggregate of the number of board meetings and the number of meetings held by all committees of the board on which he or she then served.

Our directors are expected to attend our annual meetings of stockholders. In 2014, we did not hold an annual meeting of stockholders.

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Board Processes

Oversight of Risk

Our board oversees our risk management processes directly and through its committees. Our management is responsible for risk management on a day-to-day basis. The role of our board and its committees is to oversee the risk management activities of management. They fulfill this duty by discussing with management the policies and practices utilized by management in assessing and managing risks and providing input on those policies and practices. In general, our board oversees risk management activities relating to business strategy, acquisitions, capital allocation, organizational structure and certain operational risks; our audit committee oversees risk management activities related to financial controls and legal and compliance risks; our nominating and corporate governance committee oversees risk management activities relating to board composition; and our compensation committee oversees risk management activities relating to our compensation policies and practices and management succession planning. Each committee reports to the full board on a regular basis, including reports with respect to the committee's risk oversight activities as appropriate. In addition, since risk issues often overlap, committees from time to time request that the full board discuss particular risks.

Director Nomination Process

The process followed by our nominating and corporate governance committee to identify and evaluate director candidates may include requests to board members and others for recommendations, evaluation of the performance on our board and its committees of any existing directors being considered for nomination, consideration of biographical information and background material relating to potential candidates and, particularly in the case of potential candidates who are not then serving on our board, interviews of selected candidates by members of the committee and our board.

In considering whether to recommend any particular candidate for inclusion in our board's slate of recommended director nominees, our nominating and corporate governance committee applies the criteria set forth in our corporate governance guidelines described below under "—Corporate Governance Guidelines". Consistent with these criteria, our nominating and corporate governance committee expects every nominee to have the following attributes or characteristics, among others: integrity, honesty, adherence to high ethical standards, business acumen, good judgment and a commitment to understand our business and industry.

All of the director nominees are currently members of our board of directors. The nominee biographies under "—Board of Directors—Members of Our Board of Directors" indicate the experience, qualifications, attributes and skills of each of our current directors that led our nominating and corporate governance committee and our board to conclude he should continue to serve as a director of Eleven. Our nominating and corporate governance committee and our board believe that each of the nominees has the individual attributes and characteristics required of each of our directors, and that the nominees as a group possess the skill sets and specific experience desired of our board as a whole.

Our nominating and corporate governance committee considers the value of diversity when selecting nominees, and believes that our board, taken as a whole, should embody a diverse set of skills, experiences and abilities. The committee does not make any particular weighting of diversity or any other characteristic in evaluating nominees and directors.

Stockholders may recommend individuals for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials, and information with respect to the stockholder or group of stockholders making the recommendation, including the number of shares of common stock owned by such stockholder or group of stockholders, to our Corporate Secretary at Eleven Biotherapeutics, Inc. 215 First Street, Suite 400 Cambridge, MA 02142, Attention: Corporate Secretary. The specific requirements for the information that is required to be provided for such recommendations to be considered are specified in our by-laws and must be received by us no later than the date referenced below in

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“Other Matters—Deadline for Submission of Stockholder Proposals for 2016 Annual Meeting of Stockholders.” Assuming that appropriate biographical and background material has been provided on a timely basis, the nominating and corporate governance 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 by-laws to directly nominate director candidates, without any action or recommendation on the part of the committee or our board of directors, by following the procedures set forth under “Stockholder Proposals.”

Communications with Stockholders

Our management will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. Stockholders may communicate with our management by writing to our Corporate Secretary at Eleven Biotherapeutics, Inc., Attention: Corporate Secretary, or by calling (617) 858-9911. Additional information about contacting Eleven is available on the Investor Relations section of our website, which is located at ir.elevenbio.com.

In addition, stockholders who wish to communicate with our entire board may do so by writing to Daniel Lynch, Chairman of the Board, Eleven Biotherapeutics, Inc. 215 First Street, Boston, MA 02142. Communications will be forwarded to other directors if they relate to substantive matters that the Chairman of the Board, in consultation with our legal counsel, considers appropriate for attention by the other directors. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances or matters as to which we tend to receive repetitive or duplicative communications.

Executive and Director Compensation Processes

Our executive compensation program is administered by the compensation committee of our board of directors, subject to the oversight and approval of our full board of directors. Our compensation committee reviews our executive compensation practices on an annual basis and based on this review makes recommendations to our board of directors for approval, which has full discretion to approve or modify the recommendations of the compensation committee.

In designing our executive compensation program, our compensation committee considers publicly available compensation data for national and regional companies in the biotechnology/pharmaceutical industry to help guide its executive compensation decisions at the time of hiring and for subsequent adjustments in compensation. Our compensation committee has also retained the services of Radford, an independent compensation consultant, to provide it with additional comparative data on executive compensation practices in our industry and to advise it on our executive compensation program generally. Although the compensation committee considers Radford’s advice and recommendations about our executive compensation program, the compensation committee ultimately makes its own decisions about these matters. None of the compensation committee members and none of our executive officers or directors have any relationship with Radford or the individual consultants employed by Radford. Radford has not provided any other services to Eleven other than compensation consulting services to the compensation committee. The compensation committee has determined that no conflicts of interest exist between Eleven and Radford. The compensation committee is directly responsible for the appointment and oversight of any compensation consultants and other advisors it retains.

Our director compensation program is administered by our board of directors with the assistance of the compensation committee. The compensation committee conducts periodic reviews of director compensation and makes recommendations to the board with respect thereto.

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Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of Eleven and our stockholders. The guidelines provide that:

- our board’s principal responsibility is to oversee the management of Eleven;
- a majority of the members of our board must be independent directors;
- the independent directors meet in executive session at least twice a year;
- directors have full and free access to management and, as necessary, independent advisors;
- new directors participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and
- our board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.

A copy of the corporate governance guidelines is posted under the heading “Corporate Governance” on the Investor Relations section of our website, which is located at ir.elevenbio.com.

Board Policies

Related Person Transactions

Our board of directors has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which our company is a participant, the amount involved exceeds \$120,000 and one of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a “related person,” has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a “related person transaction,” the related person must report the proposed related person transaction to our principal accounting officer. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our audit committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chair of the audit committee to review and, if deemed appropriate, approve proposed related person transactions that arise between committee meetings, subject to ratification by the committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the audit committee after full disclosure of the related person’s interest in the transaction. As appropriate for the circumstances, the audit committee will review and consider:

- the related person’s interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person’s interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

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Our audit committee may approve or ratify the transaction only if it determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, our best interests. Our audit committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person's position as an executive officer of another entity, whether or not the person is also a director of the entity, that is a participant in the transaction where the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction and the amount involved in the transaction is less than the greater of \$200,000 or 5% of the annual gross revenues of the company receiving payment under the transaction; and
- a transaction that is specifically contemplated by provisions of our certificate of incorporation or by-laws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by our compensation committee in the manner specified in the compensation committee's charter.

We did not have a written policy regarding the review and approval of related person transactions prior to our initial public offering, or IPO. Nevertheless, with respect to such transactions, it has been the practice of our board of directors to consider the nature of and business reasons for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interests. In addition, all related person transactions required prior approval, or later ratification, by our board of directors

Since January 1, 2014, we have engaged in the following transactions with our directors, executive officers and holders of more than 5% of our voting securities, and affiliates of our directors, executive officers and holders of more than 5% of our voting securities. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

Participation in Initial Public Offering

Our principal stockholders and their affiliated entities purchased shares in our IPO at the initial public offering price. Third Rock Ventures LP purchased a total of 551,482 shares of our common stock for a purchase price of \$5,514,820; JAFCO Super V3 Investment Limited Partnership purchased a total of 219,790 shares of our common stock for a purchase price of \$2,197,900; and Flagship Ventures Management, Inc., and its affiliated entities, purchased a total of 378,729 shares of our common stock for a purchase price of \$3,787,290.

Participation in Private Placement

Broadfin Healthcare Master Fund, LTD, one of our principal stockholders, purchased a total of 108,900 shares of our common stock at a price per share of \$11.47 and warrants to purchase 54,450 shares of our common stock at an exercise price of \$15.00 per share for a purchase price of \$1,249,083 in a private placement completed in December 2014 on the same terms as the other investors in the private placement.

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

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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 <http://www.elevenbio.com> . If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer or director, we will disclose the nature of such amendment or waiver on our website or in a Current Report on Form 8-K to the extent required by applicable law, the rules of the SEC or the rules of the NASDAQ Global Market.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers as of May 1, 2015:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Abbie C. Celniker, Ph.D.	56	President and Chief Executive Officer and Director
Gregory D. Perry	54	Chief Financial and Business Officer
Eric S. Furfine, Ph.D.	55	Chief Scientific Officer

In addition to the biographical information for Drs. Celniker, which is set forth above, under “Corporate Governance—Board of Directors—Members of Our Board of Directors,” set forth below is certain biographical information about Mr. Perry and Dr. Furfine:

Gregory D. Perry has served as our Chief Financial and Business Officer since December 2013. Prior to joining Eleven, Mr. Perry served as the Interim Chief Financial Officer of InVivo Therapeutics Holdings Corp., a drug delivery company, from September 2013 to December 2013. Prior to joining InVivo Therapeutics, Mr. Perry served as the Executive Vice President and Chief Financial Officer of ImmunoGen, Inc., a biopharmaceutical company, from April 2011 to September 2013 and as the Senior Vice President and Chief Financial Officer of ImmunoGen from January 2009 to April 2011. Prior to that, Mr. Perry served as the Chief Financial Officer of Elixir Pharmaceuticals, Inc., a pharmaceutical company, from 2007 to 2008. Mr. Perry has served on the board of directors of Ocata Therapeutics, Inc. since 2011. Mr. Perry received a B.A. in Economics and Political Science from Amherst College.

Eric S. Furfine, Ph.D. has served as our Chief Scientific Officer since June 2013 and served as our President of Research and Development from December 2010 to June 2013. Prior to joining Eleven, Dr. Furfine served as the Senior Vice President of Research and Preclinical Development of Adnexus Therapeutics, Inc., a Bristol-Myers Squibb research and development company, from August 2006 to December 2010. Previously, Dr. Furfine served as the Vice President of Preclinical Development of Regeneron Pharmaceuticals, Inc., and in various senior level research positions at GlaxoSmithKline plc. Dr. Furfine received an A.B. from Washington University in St. Louis and a Ph.D. in Biochemistry from Brandeis University.

EXECUTIVE COMPENSATION

This section describes the material elements of compensation awarded to, earned by or paid to each of our named executive officers in 2014. Our named executive officers for 2014 are Abbie C. Celniker, Ph.D., our President and Chief Executive Officer, Gregory D. Perry, our Chief Financial and Business Officer, and Eric S. Furfine, Ph.D., our Chief Scientific Officer. This section also provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our executive officers and is intended to place in perspective the data presented in the tables and narrative that follow.

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to each of our named executive officers for the years ended December 31, 2014 and 2013.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Option awards (\$)(2)	All other compensation (\$)	Total (\$)
Abbie C. Celniker, Ph.D. President and Chief Executive Officer	2014	393,750	177,188	—	—	570,938
	2013	375,000	84,375	273,372	—	732,747
Gregory D. Perry. Chief Financial and Business Officer	2014	340,000	89,851	—	24,000(3)	453,851
	2013	3,923	—	901,562	—	905,485
Eric S. Furfine, Ph.D. Chief Scientific Officer	2014	318,300	84,116	—	—	402,416
	2013	309,000	35,500	91,876	—	436,376

- (1) Except where noted, the amounts reported in the “Bonus” column reflect discretionary annual cash bonuses payable to our executive officers for their 2014 performance.
- (2) The amounts reported in the “Option awards” column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of Financial Accounting Standards Board Accounting Standard Codification, or ASC, Topic 718. See Note 11 to our financial statements appearing at the end of our Annual Report on Form 10-K for the year ended December 31, 2014 regarding assumptions underlying the valuation of equity awards.
- (3) All other compensation includes an apartment rental allowance of up to \$2,000 per month.

Narrative to Summary Compensation Table

In 2014, we paid annual base salaries of \$393,750 to Dr. Celniker, \$340,000 to Mr. Perry and \$318,300 to Dr. Furfine. In 2013, we paid annual base salaries of \$375,000 to Dr. Celniker, \$3,923 to Mr. Perry and \$309,000 to Dr. Furfine. Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our named executive officers. None of our named executive officers is currently party to an employment agreement or other agreement or arrangement that provides for automatic or scheduled increases in base salary.

From time to time, our board of directors has approved discretionary annual cash bonuses to our named executive officers with respect to their prior year performance. In February 2015, our board of directors approved discretionary cash bonuses of \$177,188 for Dr. Celniker, \$89,851 for Mr. Perry and \$84,116 for Dr. Furfine for their 2014 performance. In January 2014, our board of directors approved discretionary cash bonuses of \$84,375 for Dr. Celniker and \$35,500 for Dr. Furfine for their 2013 performance.

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based

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vesting feature promote executive retention because this feature incents our executive officers to remain in our employment during the vesting period. Accordingly, our board of directors periodically reviews the equity incentive compensation of our named executive officers and from time to time may grant equity incentive awards to them in the form of stock options. In 2014, we did not grant any equity incentive awards to our executive officers. In 2013, based upon our overall performance, we granted to Dr. Celniker options to purchase 137,795 shares of our common stock, and to Dr. Furfine options to purchase 47,244 shares of our common stock. In connection with the hiring of Gregory D. Perry as our Chief Financial and Business Officer, in December 2013, our board of directors granted Mr. Perry an option to purchase 145,748 shares of our common stock at an exercise price of \$9.59 per share. Mr. Perry's stock option vests over 4 years, with 25% of the shares underlying the option vested on December 9, 2014 and 6.25% of the shares underlying the option vesting quarterly thereafter.

Outstanding Equity Awards at December 31, 2014

The following table sets forth information regarding all outstanding stock options and restricted stock held by each of our named executive officers as of December 31, 2014.

Name	Option Awards				Stock Awards	
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date	Number of shares of stock that have not vested (#)	Market value of shares that have not vested (\$)
Abbie C. Celniker, Ph.D.	39,616	50,935(1)	0.83	3/14/2023	66,437(2)	789,272(3)
	11,810	35,434(1)	7.37	10/30/2023		
Gregory D. Perry.	36,436	109,312(4)	9.59	12/18/2023	—	—
Eric S. Furfine, Ph.D.	118,110	—	0.06	2/16/2021	—	—
	13,779	17,717(5)	0.83	2/13/2023		
	3,937	11,811(5)	7.37	10/30/2023		

- (1) Dr. Celniker's option to purchase 90,551 shares of common stock vests over four years, with 6.25% of the shares underlying the option vesting quarterly after January 1, 2013. Dr. Celniker's option to purchase 47,244 shares of common stock vests over four years in equal quarterly installments, with the first installment vesting on January 1, 2014.
- (2) Dr. Celniker's shares of restricted stock vest over four years, with 25% of the shares vested on September 12, 2012 and 6.25% of the shares vesting quarterly thereafter.
- (3) The market value of these shares is based on the last reported sales price on December 31, 2014.
- (4) Mr. Perry's option to purchase 145,748 shares of common stock vests over four years, with 25% of the shares underlying the option vested on December 9, 2014 and 6.25% of the shares underlying the option vesting quarterly thereafter.
- (5) Dr. Furfine's option to purchase 118,110 shares of common stock vests over four years, with 25% of the shares underlying the option vested on December 20, 2011 and 6.25% of the shares underlying the option vesting quarterly thereafter. Dr. Furfine's option to purchase 31,496 shares of common stock vest over four years, with 6.25% of the shares underlying the option vesting quarterly after January 1, 2013. Dr. Furfine's option to purchase 15,748 shares of common stock vests over four years in equal quarterly installments, with the first installment vesting on January 1, 2014.

Employment Agreements with Executive Officers

In December 2013, we entered into amended and restated employment agreements with Dr. Celniker and Dr. Furfine. In addition, in December 2013, we entered into an employment agreement with Mr. Perry in connection with the commencement of his employment. Each of these agreements provides that employment will

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continue until either we or the executive officer provides notice of termination in accordance with the terms of the agreement. In addition, we have entered into non-competition, non-solicitation, confidentiality and assignment agreements with each of our executive officers which prohibit them from competing with us, soliciting our employees and customers and disclosing confidential information during the term of their employment and for a specified time thereafter.

Pursuant to their respective employment agreements, each of our executive officers is entitled to receive an annual base salary as follows: Dr. Celniker, \$375,000; Mr. Perry, \$340,000; and Dr. Furfine, \$309,000. In January 2014, our board of directors approved merit based salary increases retroactively effective to January 1, 2014 for Dr. Celniker, whose annual base salary was increased to \$393,750 and Dr. Furfine, whose annual base salary was increased to \$318,300. In February 2015, our board of directors approved merit based salary increases retroactively effective to January 1, 2015 for Dr. Celniker, whose annual base salary was increased to \$430,000, Mr. Perry whose annual base salary was increased to \$350,200 and Dr. Furfine, whose annual base salary was increased to \$327,849.

In addition, each of our executive officers is eligible to receive an annual cash bonus, which is based on the achievement of individual and corporate performance objectives, calculated as a percentage of the executive's annual base salary, and which will be determined by our board of directors, in its sole discretion. Dr. Celniker's target annual bonus is 50% of her annual base salary, and the target bonus for each of our other executive officers is 30% of his annual base salary.

Potential Payments Upon Termination or Change in Control Transaction

Upon execution and effectiveness of a release of claims, each of our executive officers will be entitled to severance payments if his or her employment is terminated under specified circumstances.

Dr. Celniker . If we terminate Dr. Celniker's employment without cause, as defined in her employment agreement, or if Dr. Celniker terminates her employment with us for good reason, as defined in her employment agreement, absent a change in control transaction, as defined in her employment agreement, we are obligated to pay Dr. Celniker's base salary for a period of 12 months, to pay Dr. Celniker an amount equal to her target bonus payment for the year in which the termination of employment occurs, prorated for the portion of the year in which she was employed, and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide Dr. Celniker and certain of her dependents with group health and dental insurance for a period of 12 months.

If we terminate Dr. Celniker's employment without cause or if Dr. Celniker terminates her employment with us for good reason, in each case within 18 months following a change in control transaction, we are obligated to pay Dr. Celniker an amount equal to her base salary for 12 months, paid in accordance with our then-current payroll practices, to pay Dr. Celniker an amount equal to her target bonus payment for the year in which the termination of employment occurs, to accelerate in full the vesting of all of Dr. Celniker's outstanding equity awards and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide Dr. Celniker and certain of her dependents with group health and dental insurance for a period of 12 months.

In addition, we have agreed to indemnify Dr. Celniker in any action or proceeding arising out of her service to us, unless she initiates such action or proceeding. These indemnification obligations may require us, among other things, to indemnify Dr. Celniker for certain expenses, including attorneys' fees that are incurred by her, and to advance to Dr. Celniker such expenses upon request.

Other executive officers . If we terminate Dr. Furfine's employment without cause, as defined in his employment agreement, or if he terminates his employment with us for good reason, as defined in his employment agreement, absent a change in control transaction, as defined in his employment agreement, we are obligated to pay his base salary for a period of 12 months and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide him and certain of his dependents with group health and dental insurance for a period of 12 months.

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If we terminate Dr. Furfine without cause or if he terminates his employment with us for good reason, in each case within 12 months following a change of control transaction, we are obligated to pay his base salary for a period of 12 months, to accelerate in full the vesting of all outstanding equity awards held by him and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide him and certain of his dependents with group health and dental insurance for a period of 12 months.

If we terminate Mr. Perry's employment without cause, as defined in Mr. Perry's employment agreement, or if he terminates his employment with us for good reason, as defined in his employment agreement, absent a change in control, as defined in his employment agreement, we are obligated to pay Mr. Perry's base salary for a period of 12 months, to accelerate the vesting of Mr. Perry's unvested equity awards, if any, such that he is credited with an additional 12 months of vesting as of the termination date with respect to such unvested equity awards and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide Mr. Perry and certain of his dependents with group health and dental insurance for a period of 12 months.

If we terminate Mr. Perry's employment without cause or if he terminates his employment with us for good reason, in each case within 12 months following a change in control, we are obligated to pay Mr. Perry's base salary for a period of 12 months, to pay Mr. Perry an amount equal to his target bonus for the year in which the termination of employment occurs, pro-rated for the portion of the year during which he was employed, to accelerate in full the vesting of Mr. Perry's unvested equity awards, if any, and, to the extent allowed by applicable law and the applicable plan documents, to continue to provide Mr. Perry and certain of his dependents with group health and dental insurance for a period of 12 months. Notwithstanding the foregoing, Mr. Perry will not be entitled to the benefits in the preceding sentence and will instead be entitled to the benefits in the preceding paragraph to the extent that the change in control occurs within 6 months of his employment commencement date and a specified entity is involved in the change in control.

Taxation . To the extent that any severance or other compensation payment to any of Dr. Celniker, Mr. Perry or Dr. Furfine pursuant to his or her employment agreement or any other agreement constitutes an "excess parachute payment" within the meaning of Sections 280G and 4999 of the Code, then such executive officer will receive the full amount of such severance and other payments, or a reduced amount intended to avoid the application of Sections 280G and 4999, whichever provides the executive with the highest amount on an after-tax basis.

401(k) Plan

We maintain a defined contribution employee retirement plan for our employees. Our 401(k) plan is intended to qualify as a tax-qualified plan under Section 401 of the Code so that contributions to our 401(k) plan, and income earned on such contributions, are not taxable to participants until withdrawn or distributed from the 401(k) plan. Our 401(k) plan provides that each participant may contribute up to 90% of his or her pre-tax compensation, up to a statutory limit, which was \$17,500 for 2014. Participants who are at least 50 years old can also make "catch-up" contributions, which in 2014 was up to an additional \$5,500 above the statutory limit. Under our 401(k) plan, each employee is fully vested in his or her deferred salary contributions. Employee contributions are held and invested by the plan's trustee, subject to participants' ability to give investment directions by following certain procedures. We do not currently make discretionary contributions or matching contributions to our 401(k) plan.

Limitation of Liability and Indemnification

Our certificate of incorporation limits the personal liability of directors for breach of fiduciary duty to the maximum extent permitted by the Delaware General Corporation Law, or the DGCL, and provides that no director will have personal liability to us or to our stockholders for monetary damages for breach of fiduciary duty as a director. However, these provisions do not eliminate or limit the liability of any of our directors:

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

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- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- for voting for or assenting to unlawful payments of dividends, stock repurchases or other distributions; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment to or repeal of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to such amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, our certificate of incorporation provides that we must indemnify our directors and officers and we must advance expenses, including attorneys' fees, to our directors and officers in connection with legal proceedings, subject to very limited exceptions.

We maintain a general liability insurance policy that covers specified liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers. In addition, we have entered into indemnification agreements with all of our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify each such director and executive officer for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by him in any action or proceeding arising out of his or her service as one of our directors or executive officers.

Some of our non-employee directors may, through their relationships with their employers, be insured or indemnified against specified liabilities incurred in their capacities as members of our board of directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, or the Securities Act, may be permitted to directors, executive officers or persons controlling us, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

DIRECTOR COMPENSATION

We reimburse our non-employee directors for reasonable travel and other expenses incurred in connection with attending board of director and committee meetings or otherwise in direct service of our company. The table below shows all compensation to our non-employee directors during 2014.

Name	Fees (\$)	Option awards \$(1)	Total (\$)
Daniel S. Lynch(2)	96,750	810,147	906,897
Noubar B. Afeyan, Ph.D.(3)(4)	26,840	166,738	193,578
David A. Berry, M.D., Ph.D.(3)	42,203	166,738	208,941
Paul G. Chaney(5)	32,771	172,891	205,662
Wendy L. Dixon(6)	8,200	95,573	103,773
Jane V. Henderson	48,375	—	48,375
Mark J. Levin(3)(4)	26,840	166,738	193,578
Cary G. Pfeffer, M.D.(3)	38,922	166,738	205,660

- (1) The amounts reported in the “Option awards” column reflect the aggregate fair value of stock-based compensation awarded during the year computed in accordance with the provisions of Financial Accounting Standards Board ASC Topic 718. See Note 11 to our financial statements appearing at the end of our Annual Report on Form 10-K for the year ended December 31, 2014 regarding assumptions underlying the valuation of equity awards.
- (2) Immediately following the closing of our IPO, Mr. Lynch received a grant of restricted stock for 70,879 shares of common stock, representing a number of shares of common stock equal to 1.0% of the total number of shares of common stock issued and outstanding as of immediately following our IPO less 90,551 shares.
- (3) Effective as of the 30th trading day of our common stock on The NASDAQ Global Market, Dr. Afeyan, Dr. Berry, Mr. Levin and Dr. Pfeffer each received an option to purchase 16,143 shares of common stock, representing a number of shares of common stock equal to 0.1% of the total number of shares of common stock issued and outstanding as of immediately following our IPO.
- (4) Dr. Afeyan and Mr. Levin each resigned as a member of our Board of Directors and all committees thereof effective November 12, 2014.
- (5) In connection with the election of Mr. Chaney as a member of our board of directors, in February 2014, our board of directors granted Mr. Chaney an option to purchase 16,143 shares of our common stock at an exercise price of \$17.37 per share. The February 2014 stock option vests over three years, with 1/26th of the shares underlying the option vesting at the end of each one-month period following February 27, 2014.
- (6) In connection with the election of Dr. Dixon as a member of our board of directors, in October 2014, our board of directors granted Dr. Dixon an option to purchase 16,143 shares of our common stock at an exercise price of \$10.56 per share. The October 2014 stock option vests over three years, with 1/36th of the shares underlying the option vesting at the end of each one-month period following October 22, 2014.

During 2014, we did not provide any additional compensation to Dr. Celniker, our President and Chief Executive Officer, for her service as a director. Dr. Celniker’s compensation as an executive officer is set forth above under “Executive Compensation—Summary Compensation Table.”

Our non-employee directors are compensated for their services on our board of directors as follows:

- non-employee directors will receive initial stock option grants as follows:
 - upon his or her initial election or appointment to our board of directors, each newly elected or appointed non-employee director will receive an option to purchase 16,143 shares of common stock, representing a number of shares of common stock equal to 0.1% of the total number of shares of common stock issued and outstanding as of immediately following our IPO;

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- on the date of each annual meeting of our stockholders, each non-employee director who has served on our board of directors for at least six months will receive an annual grant of an option to purchase 8,072 shares of common stock, representing a number of shares equal to 0.05% of the total number of shares of common stock issued and outstanding as of immediately following our IPO;
- each non-employee director will receive an annual cash fee of \$35,000;
- the chairman of the board of directors will receive an additional annual cash fee of \$47,500;
- each member of the audit committee will receive an additional annual cash fee of \$7,500 (\$15,000 for the audit committee chair);
- each member of the compensation committee will receive an additional annual cash fee of \$6,000 (\$10,000 for the compensation committee chair); and
- each member of the nominating and corporate governance committee will receive an additional annual cash fee of \$3,750 (\$7,500 for the nominating and corporate governance committee chair).

The stock options granted to our non-employee directors will have an exercise price equal to the fair market value of our common stock on the date of grant and will expire ten years after the date of grant. The initial stock options granted to our non-employee directors will, subject to the director's continued service on our board, vest monthly in equal amounts over a three-year period following the grant date. The annual stock options granted to our non-employee directors will, subject to the director's continued service on our board, vest monthly in equal amounts over a one-year period following the grant date.

The restricted stock granted to the chairman of our board of directors will, subject to his continued service on our board, vest quarterly in equal amounts over a four-year period following closing of our IPO.

Each annual cash fee will be payable in arrears in four equal quarterly installments on the last day of each quarter, provided that the amount of each payment will be prorated for any portion of a quarter that a director is not serving on our board and no fee was payable in respect of any period prior to February 5, 2014, the effective date of the registration statement for our IPO.

Each member of our board of directors will also be entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending meetings of the board of directors and any committee on which he or she serves.

AUDIT-RELATED MATTERS

Audit Committee Report

The audit committee of the board of directors of Eleven Biotherapeutics, Inc. has reviewed Eleven's audited financial statements for the fiscal year ended December 31, 2014 and discussed them with Eleven's management and Ernst & Young LLP, Eleven's independent registered public accounting firm.

The audit committee has received from, and discussed with, Ernst & Young LLP various communications that Ernst & Young LLP is required to provide to the audit committee, including the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The audit committee has received the written disclosures and the letter from Ernst & Young LLP required by Rule 3526 of the Public Company Accounting Oversight Board (*Communications with Audit Committees Concerning Independence*), and has discussed with Eleven's independent registered public accounting firm its independence.

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Based on the review and discussions referred to above, the audit committee recommended to Eleven's board of directors that the audited financial statements referred to above be included in Eleven's Annual Report on Form 10-K for the year ended December 31, 2014.

By the audit committee of the board of directors of Eleven Biotherapeutics, Inc.

Jane Henderson
Wendy Dixon
Daniel Lynch

Audit Fees and Services

Ernst & Young LLP provided audit and tax services to the Company consisting of the audit of the Company's 2014 and 2013 financial statements and tax compliance services. The following table summarizes the fees for Ernst & Young LLP services to the Company for the last two fiscal years.

Fee Category	Fiscal Year 2014	Fiscal Year 2013
Audit Fees(1)	\$ 365,000	\$ 800,321
Audit-Related Fees(2)	—	—
Tax Fees(3)	8,000	7,000
All Other Fees(4)	—	—
Total Fees	\$ 373,000	\$ 807,321

(1) Audit fees consist of fees for the audit of our annual financial statements and fees related to our IPO.

(2) There were no audit-related fees for fiscal years 2014 and 2013.

(3) Tax fees consist of fees for tax compliance services. Tax compliance services primarily relate to the preparation of our U.S. and Massachusetts tax returns.

(4) There were no other fees for fiscal years 2014 and 2013.

In 2014, the audit committee adopted a formal policy concerning approval of audit and non-audit services to be provided to the Company by its independent registered public accounting firm, Ernst & Young LLP. The policy requires that all services to be provided by Ernst & Young LLP, including audit services and permitted audit-related and non-audit services, must be preapproved by the Audit Committee, provided that de minimis non-audit services may instead be approved in accordance with applicable SEC rules. The Board of Directors preapproved all audit and non-audit services provided by Ernst & Young LLP during fiscal year 2014 and fiscal year 2013.

MATTERS TO BE VOTED ON

Proposal 1: Election of Class I Directors

In accordance with the terms of our certificate of incorporation and our by-laws, our board of directors is divided into three classes, 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: David Berry, Barry Gertz and Cary Pfeffer, and their term expires at the 2015 Annual Meeting.
- Class II: Paul Chaney, Jay Duker and Wendy Dixon, and their term expires at the annual meeting of stockholders to be held in 2016.
- Class III: Abbie Celniker, Jane Henderson and Daniel Lynch, and their term expires at the annual meeting of stockholders to be held in 2017.

At each annual meeting of stockholders, directors are elected for a full term of three years to succeed those directors whose terms are expiring. Drs. Berry, Gertz and Pfeffer are current directors whose terms expire at the 2015 Annual Meeting. Drs. Berry, Gertz and Pfeffer are each nominated for re-election as a class I director, with a term ending in 2018.

Unless otherwise instructed in the proxy, all proxies will be voted “FOR” the election of each of the nominees identified above to a three-year term ending in 2018, each such nominee to hold office until his successor has been duly elected and qualified. Stockholders who do not wish their shares to be voted for either or both nominees may so indicate by striking out the name of such nominee(s) on the proxy card. Each of the nominees has indicated his willingness to serve on our board, if elected. If any nominee should be unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee designated by our board. We do not contemplate that either of the nominees will be unable to serve if elected.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* THE ELECTION OF EACH OF THE NOMINEES AS DIRECTORS.

Proposal 2: To Ratify the Selection of Ernst & Young LLP as Eleven’s Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2015

The audit committee of our board of directors has selected the firm of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Ernst & Young LLP has served as our independent registered public accounting firm since the fiscal year ended December 31, 2010. Although stockholder approval of the selection of Ernst & Young LLP is not required by law or NASDAQ rules, our audit committee believes that it is advisable and has decided to give our stockholders the opportunity to ratify this selection. If this proposal is not approved at the Annual Meeting, our audit committee may reconsider this selection.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. It is also expected that they will be available to respond to appropriate questions from stockholders.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE *FOR* THE RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP AS ELEVEN’ S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

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OWNERSHIP OF COMMON STOCK

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 1, 2015 by:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common stock based on currently available Schedules 13D and 13G filed with the Securities and Exchange Commission.

The column entitled “Percentage of Shares Beneficially Owned” is based on a total of 19,371,411 shares of our common stock outstanding as of May 1, 2015.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock. Shares of our common stock subject to options and warrants that are currently exercisable or exercisable within 60 days after May 1, 2015 are considered outstanding and beneficially owned by the person holding the options for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investing power with respect to all of the shares of our common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise set forth below, the address of each beneficial owner is c/o Eleven Biotherapeutics, Inc., 215 First Street, Suite 400, Cambridge, Massachusetts 02142.

Name and Address of Beneficial Owner	Number of shares beneficially owned	Percentage of shares beneficially owned
5% Stockholders:		
Broadfin Capital, LLC(1)	966,615	5.0%
Entities affiliated with Flagship Ventures Management, Inc.(2)	3,373,425	17.4%
FMR, LLC(3)	1,765,112	9.1%
JAFCO Super V3 Investment Limited Partnership(4)	1,956,626	10.1%
Sabby Management, LLC(5)	1,046,205	5.3%
Third Rock Ventures, L.P.(6)	4,841,591	25.0%
Directors and Named Executive Officers:		
Daniel S. Lynch(7)	161,430	*
David A. Berry, M.D., Ph.D.(8)	6,726	*
Paul G. Chaney(9)	7,174	*
Wendy L. Dixon, Ph.D.(10)	3,587	*
Jay S. Duker, M.D.(11)	2,242	*
Barry J. Gertz, M.D., Ph.D.(12)	2,242	*
Jane V. Henderson(13)	12,466	*
Cary G. Pfeffer, M.D.(14)	4,848,317	25.0%
Abbie C. Celniker, Ph.D.(15)	432,043	2.2%
Gregory D. Perry(16)	58,249	*
Eric S. Furfine, Ph.D.(17)	145,012	*
All current executive officers and directors as a group (12 persons)(18)	5,724,987	28.9%

* Less than one percent.

- (1) All shares are held by Broadfin Capital, LLC. Each of Broadfin Capital, LLC, Broadfin Healthcare Master Fund, Ltd. and Kevin Kotler may be deemed to have shared voting power and shared dispositive power with

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respect to all shares held by Broadfin Capital, LLC. The address for Broadfin Capital, LLC is 237 Park Avenue, Suite 900, New York, NY 10017. Beneficial ownership is derived from a Schedule 13G/A filed on February 17, 2015.

- (2) Consists of (i) 1,907,008 shares of common stock held by Flagship Ventures Fund 2007 L.P., or Flagship 2007, (ii) 1,173,149 shares of common stock held by Flagship Ventures Fund IV, L.P., or Flagship IV, and (iii) 293,268 shares of common stock held by Flagship Ventures Fund IV-Rx, L.P., or Flagship IV-Rx. Each of Flagship Ventures 2007 General Partner LLC, the general partner of Flagship 2007, and Flagship Ventures Fund IV General Partner LLC, the general partner of Flagship IV and Flagship IV-Rx, may be deemed to share voting and dispositive power with respect to the shares held by the Flagship Funds respectively. In addition, investment decisions with respect to the shares held by each of the Flagship Funds are made in part by Dr. Berry, a member of our board of directors, is a partner of Flagship Ventures. Dr. Berry disclaims beneficial ownership of all shares held by the Flagship Funds, except to the extent of his pecuniary interest therein. The address for Flagship Ventures Management, Inc. is One Memorial Drive, 7th Floor, Cambridge, MA 02142.
- (3) All shares are held by FMR LLC. Edward C. Johnson 3d is a Director and the Chairman of FMR LLC and Abigail P. Johnson is a Director, the Vice Chairman, the Chief Executive Officer and the President of FMR LLC. Members of the family of Edward C. Johnson 3d, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company ("FMR Co"), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address for FMR LLC is 245 Summer Street, Boston, MA 02210. Beneficial ownership is derived from a Schedule 13G filed on February 13, 2015.
- (4) All shares are held by JAFCO Super V3 Investment Limited Partnership. The address for JAFCO Super V3 Investment Limited Partnership is Otemachi First Square, West Tower, 11F, 1-5-1 Otemachi Chiyoda-ku, Tokyo 100-0004, Japan. Beneficial ownership is derived from a Schedule 13G/A filed on February 13, 2015.
- (5) Consists of (i) 697,470 shares of common stock and (ii) 348,735 shares of common stock issuable upon the exercise of warrants exercisable within 60 days after May 1, 2015. Each of Sabby Healthcare Master Fund, Ltd. and Sabby Volatility Warrant Master Fund, Ltd. (collectively, the "Sabby Funds") has indicated that Hal Mintz has voting and investment power over the shares held by it. Each of the Sabby Funds has also indicated that Sabby Management, LLC serves as its investment manager, that Hal Mintz is the manager of Sabby Management, LLC and that each of Sabby Management, LLC and Hal Mintz disclaims beneficial ownership over these shares except to the extent of any pecuniary interest therein. The address for Sabby Management, LLC is 10 Mountainview Road, Suite 205 Upper Saddle River, New Jersey 07458. Beneficial ownership is derived from a Schedule 13G/A filed on January 21, 2015.
- (6) All shares are held by Third Rock Ventures, L.P., or TRV L.P. Each of Third Rock Ventures GP L.P., or TRV GP L.P., and Third Rock Ventures GP, LLC, or TRV GP LLC, may be deemed to share voting and dispositive power with respect to all shares held by TRV L.P. In addition, investment decisions with respect to the shares held by TRV L.P. are made by an investment committee at TRV GP L.P. of which Dr. Pfeffer, a member of our board of directors, is a member. TRV GP L.P., TRV GP LLC and Dr. Pfeffer disclaim beneficial ownership of all shares held by TRV L.P., except to the extent of his pecuniary interest therein. The address for TRV L.P. is 29 Newbury Street, Boston, MA 02116.

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- (7) Consists of (i) 70,879 shares of restricted common stock and (ii) 90,551 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (8) Consists of 6,726 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015. Mr. Berry was deemed not to beneficially own the 3,373,424 shares held by the entities affiliated with Flagship Ventures Management, Inc.
- (9) Consists of 7,174 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (10) Consists of 3,587 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (11) Consists of 2,242 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (12) Consists of 2,242 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (13) Consists of 12,466 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (14) Consists of (1) the shares held by Third Rock Ventures, L.P. described in footnote 3 above, which Dr. Pfeffer beneficially owns, and (2) 6,726 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (15) Consists of (i) 354,330 shares of restricted common stock and (ii) 77,713 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (16) Consists of 58,249 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (17) Consists of 145,012 shares of common stock issuable upon the exercise of options exercisable within 60 days after May 1, 2015.
- (18) Consists of (i) 4,841,591 shares of common stock, (ii) 425,209 shares of restricted common stock, and (iii) 458,187 shares of common stock underlying options that are exercisable as of May 1, 2015 or will become exercisable within 60 days after such date.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on our review of copies of reports filed by individuals and entities required to make filings pursuant to Section 16(a) of the Exchange Act or written representations from such individuals or entities, we believe that during 2014 all filings required to be made by such individuals or entities were timely made in accordance with the Exchange Act.

OTHER MATTERS

Our board of directors does not know of any other matters that may come before the Annual Meeting. However, if any other matters are properly presented to the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote, or otherwise act, in accordance with their judgment on such matters.

Solicitation of Proxies

This proxy is solicited on behalf of our board of directors. We will bear the expenses connected with this proxy solicitation. We expect to pay banks, brokers and other nominees their reasonable expenses for forwarding proxy materials and annual reports to principals and obtaining their voting instructions. In addition to the use of the mails, our directors, officers and employees may, without additional remuneration, solicit proxies in person or by use of other communications media.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” notices of internet availability, proxy statements and annual reports. This means that only one copy of our notice of internet availability, proxy statement, and annual report may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of either document to any stockholder upon request submitted in writing to us at Eleven Biotherapeutics, Inc., 215 First Street, Suite 400 Cambridge, MA 02142, Attention: Corporate Secretary, or by calling (617) 858-8911. Any stockholder who wants to receive separate copies of the notice of internet availability, proxy statement or annual report in the future, or who is currently receiving multiple copies and would like to receive only one copy for his or her household, should contact his or her bank, broker or other nominee record holder, or contact us at the above address and phone number.

Deadline for Submission of Stockholder Proposals for 2016 Annual Meeting of Stockholders

Proposals of stockholders intended to be presented at our 2016 Annual Meeting of Stockholders pursuant to Rule 14a-8 promulgated under the Exchange Act must be received by us at our principal offices, 215 First Street, Suite 400 Cambridge, MA 02142, Attention: Corporate Secretary, no later than January 3, 2016, the date that is 120 days prior to the first anniversary of the date of this proxy statement, in order to be included in the proxy statement and proxy card relating to that meeting.

In addition, our by-laws establish an advance notice procedure for nominations for election to our board of directors and other matters that stockholders wish to present for action at an annual meeting other than those to be included in our proxy statement. In general, notice must be received at our principal offices at, 215 First Street, Suite 400 Cambridge, MA 02142, Attention: Corporate Secretary, not less than 90 calendar days before nor more than 120 calendar days before the one year anniversary of the previous year’s annual meeting of stockholders. Therefore, to be presented at our 2016 annual meeting of stockholders, such a proposal must be received by us no earlier than February 17, 2016 and no later than March 18, 2016. However, if the date of the annual meeting is more than 20 days earlier or more than 60 days later than such anniversary date, notice must be received not earlier than 120 calendar days prior to such annual meeting and no later than the close of business on the later of 90 days prior to such annual meeting and 10 days following the day on which notice of the date of such annual meeting was mailed or public announcement of the date of such annual meeting was first made, whichever first occurs. If the stockholder fails to give notice by these dates, then the persons named as proxies in the proxies solicited by the board of directors for the 2016 annual meeting may exercise discretionary voting power regarding any such proposal. Stockholders are advised to review our by-laws which also specify requirements as to the form and content of a stockholder’s notice.

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ANNUAL MEETING OF ELEVEN BIOTHERAPEUTICS, INC.

Date: Tuesday, June 16, 2015
Time: 10 A.M. (Eastern Time)
Place: WilmerHale LLP, 60 State Street, Boston, MA 02109

Please make your marks like this: ☒ Use dark black pencil or pen only

Board of Directors Recommends a Vote **FOR** each of the director nominees listed and **FOR** proposal 2.

1: To elect three class I directors of our board of directors to serve until the 2018 Annual Meeting of Stockholders or until their respective successors have been duly elected and qualified.

- 01 David Berry
- 02 Barry Gertz
- 03 Cary Pfeffer

**Vote For
All Nominees**

**Withhold Vote From
All Nominees**

**Vote For
All Except**

INSTRUCTIONS: To withhold authority to vote for any nominee, mark the "Vote For All Except" box and write the number(s) in the space provided to the right.

2: To ratify the selection of Ernst & Young LLP as Eleven Biotherapeutics' independent registered public accounting firm for the fiscal year ending December 31, 2015.

For **Against** **Abstain**

To attend the meeting and vote your shares in person, please mark this box.

Authorized Signatures - This section must be completed for your Instructions to be executed.

Please Sign Here

Please Date Above

Please Sign Here

Please Date Above

Please sign exactly as your name(s) appears on your stock certificate. If held in joint tenancy, all holders should sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.

↑ Please separate carefully at the perforation and return just this portion in the envelope provided. ↑



Annual Meeting of Eleven Biotherapeutics, Inc.
to be held on Tuesday, June 16, 2015
for Holders as of May 1, 2015
This proxy is being solicited on behalf of the Board of Directors



Go To
www.proxypush.com/ebio

- Cast your vote online 24 hours a day/7 days a week.
• Have your Proxy Card/Voting Instructions Form ready.
• View Meeting Documents.

VOTE BY:

OR



OR

- Mark, sign and date your Proxy Card/Voting Instruction Form.
• Detach your Proxy Card/Voting Instruction Form.
• Return your Proxy Card/Voting Instruction Form in the postage-paid envelope provided.



Call TELEPHONE
(866) 221-8259

- Use any touch-tone telephone toll-free 24 hours a day/7 days a week.
• Have your Proxy Card/Voting Instruction Form ready.
• Follow the simple recorded instructions.

The undersigned hereby appoints Abbie C. Celniker and Gregory D. Perry, and each or either of them, as the true and lawful attorneys of the undersigned, with full power of substitution and revocation, and authorizes them, and each of them, to vote all the shares of capital stock of Eleven Biotherapeutics, Inc. which the undersigned is entitled to vote at said meeting and any adjournment thereof upon the matters specified and upon such other matters as may be properly brought before the meeting or any adjournment thereof, conferring authority upon such true and lawful attorneys to vote in their discretion on such other matters as may properly come before the meeting and revoking any proxy heretofore given.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, SHARES WILL BE VOTED FOR THE ELECTION OF THE DIRECTORS IN ITEM 1 AND FOR THE PROPOSAL IN ITEM 2. THE PROXIES WILL VOTE IN THEIR DISCRETION ON ANY OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENT THEREOF.

All votes must be received by 5:00 P.M., Eastern Time, June 15, 2015.

PROXY TABULATOR FOR

ELEVEN BIOTHERAPEUTICS, INC.
c/o MEDIANT COMMUNICATIONS
P.O. BOX 8016
CARY, NC 27512-9903



EVENT #

CLIENT #

Form with brackets for inputting event and client numbers.