

SIMMONS FIRST NATIONAL CORP
Form 8-K
March 02, 2015

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event Reported): February 27, 2015

Simmons First National Corporation

(Exact Name of Registrant as Specified in Charter)

Arkansas (State or Other Jurisdiction of Incorporation) **0-6253** (Commission File Number) **71-0407808** (I.R.S. Employer Identification Number)

501 Main Street, Pine Bluff, Arkansas
(Address of Principal Executive Offices)

71601
(Zip Code)

(870) 541-1000
(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On February 27, 2015 Simmons First National Corporation issued a press release announcing the completion of the Community First Bancshares, Inc. and Liberty Bancshares, Inc. acquisitions. A copy of the press release is attached as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated February 27, 2015

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 27, 2015

Simmons First National Corporation

By: /s/ ROBERT A. FEHLMAN
Robert A. Fehlman
Sr. Executive Vice President, Chief Financial Officer & Treasurer

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font-size:10pt"> 88,146 0 17.57 1/2/2025 26,982 13,490(3) 53.63 1/4/2026 21,239 42,478(4) 15.73 1/3/2026

Robert E. Davis, Ph.D.

5,000 0 2.74 6/10/2020 5,000 0 2.74 12/21/2020 5,000 0 2.84 4/30/2022 5,000 0 3.26 5/31/2022

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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(1)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)
Kimberly E. Vanover, Ph.D.	3,500	0	2.74	6/10/2020		
	7,500	0	2.74	12/21/2020		
	10,000	0	2.84	4/30/2022		
	10,000	0	3.26	5/31/2023		
	100,000	0	16.86	6/30/2024		
	72,120	0	17.57	1/2/2025		
	13,491	6,745 (3)	53.63	1/3/2026		
	10,619	21,239 (4)	15.73	1/3/2027		
	0	65,164 (5)	15.47	1/3/2028		
					1,544 (6)	17,700
					5,298 (7)	60,344
					48,480 (8)	552,187

- (1) All options have a ten year term from the date of grant.
- (2) The market value of the stock awards is based on the closing price of our common stock of \$11.39 per share at December 31, 2018.
- (3) Each option to purchase our common stock that expires on January 4, 2026 vested as to 1/3 of the shares on January 4, 2017, 1/3 of the shares on January 4, 2018 and 1/3 of the shares on January 4, 2019.
- (4) Each option to purchase our common stock that expires on January 3, 2027 vested as to 1/3 of the shares on January 3, 2018, 1/3 of the shares on January 3, 2019 and will vest as to 1/3 of the shares on January 3, 2020.
- (5) Each option to purchase our common stock that expires on January 3, 2028 vested as to 1/3 of the shares on January 3, 2019 and will vest as to 1/3 of the shares on January 3, 2020 and 1/3 of the shares on January 3, 2021.
- (6) These restricted stock units vested as to 1/3 of the shares on January 4, 2017, 1/3 of the shares on January 4, 2018 and 1/3 of the shares on January 4, 2019.
- (7) These restricted stock units vested as to 1/3 of the shares on January 3, 2018, 1/3 of the shares on January 3, 2019 and will vest as to 1/3 of the shares on January 3, 2020.
- (8) These restricted stock units vested as to 1/3 of the shares on January 3, 2019 and will vest as to 1/3 of the shares on January 3, 2020 and 1/3 of the shares on January 3, 2021.

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The following table shows information regarding exercises of options to purchase our common stock and the vesting of restricted stock units held by each of our named executive officers during the fiscal year ended December 31, 2018.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(1)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(2)
Sharon Mates, Ph.D.	50,000	692,000	35,339	487,734
Lawrence J. Hinline			16,212	224,759
Michael I. Halstead			16,212	224,759
Robert E. Davis, Ph.D.			13,728	173,372
Kimberly E. Vanover, Ph.D.			13,524	174,089

- (1) The value realized on exercise is based on the difference between the closing price of our common stock on the Nasdaq Global Select Market on the date of exercise and the applicable exercise price of those options and does not represent actual amounts received by the individual as a result of the option exercises.
- (2) The value realized on vesting is calculated by multiplying the number of vested shares by the closing price of our common stock on the Nasdaq Global Select Market on the applicable vesting date.

Pension Benefits

We do not have any qualified or non-qualified defined benefit plans.

Nonqualified Deferred Compensation

We do not have any nonqualified defined contribution plans or other deferred compensation plans.

Potential Payments upon Termination or Change-in-Control

We have agreed to provide severance and change of control payments and benefits to our named executive officers under specified circumstances, as described below:

Sharon Mates, Ph.D.

If Dr. Mates employment is terminated for any reason, she will be entitled to compensation and benefits through the last day of her employment, including accrued but untaken vacation. If her employment is terminated due to her death or disability, we will also pay her or her estate the compensation which would otherwise have been payable to her through the end of the month in which such termination occurs as well as payment for any accrued but untaken vacation. If her employment is terminated without cause by us or she terminates her employment for good reason, she will receive the following severance benefits following her employment termination, on condition that she executes a general release in our favor: (a) payment of 12 months of her then current base salary and the pro rata portion of an amount equal to the bonus she was awarded for the previous year, if any, which severance payments will be paid in

one lump sum on the date the general release she executes becomes effective; (b) payment for 12 months of the portion of the COBRA premiums that we paid prior to her termination; and (c) all of her unvested stock options will become fully vested and exercisable. Dr. Mates will also be entitled to such severance benefits if we elect not to renew her employment agreement for reasons other than death, disability or cause, but (i) such severance benefits are conditioned on Dr. Mates executing a general release in favor of us, returning all our property, and complying with her employment agreement, proprietary

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information, inventions, and non-competition agreement, and the general release and (ii) Dr. Mates will not be eligible for such severance benefits if she or we wish to renew the agreement on different terms than those contained in her employment agreement. In the event of a change of control, all of her unvested stock options will immediately vest. If her employment is terminated for reasons other than death or disability within three months before or 12 months following a change of control, she terminates her employment for good reason during such period, or she terminates her employment for any reason within one month following a change of control, she will be eligible for the following severance benefits following her employment termination: (a) payment of 18 months of her then current base salary and the pro rata portion of an amount equal to the bonus she was awarded for the previous year, which severance payments will be paid in one lump sum on the eighth day following the effective date of the general release, and (b) payment for 18 months of the portion of the COBRA premiums that we paid prior to her termination. In addition, we have agreed to pay a tax gross-up to Dr. Mates if any amounts payable by us (or a successor) to her become subject to excise taxes under Sections 280G and 4999 of the Code. Such severance benefits following a change of control are payable on condition that she executes a general release in favor of us, returns all our property and complies with her post-termination obligations under her employment agreement, her proprietary information, inventions, and non-competition agreement, and her general release.

The following table sets out the estimated potential payments upon termination or a change in control for Dr. Mates, based on the assumptions discussed above and assuming such event occurred on December 31, 2018:

	Termination by the Company without Cause or by the Executive for Good Reason Absent a Change in Control (\$)	Acceleration of Vesting upon a Change in Control without Termination (\$)	Termination by the Company (Other than for Death or Disability) or by the Executive for Good Reason Within 3 Months Before or 12 Months Following a Change in Control or by Executive for any Reason Within One Month Following a Change in Control (\$)
Dr. Mates			
Severance benefits:			
Lump sum payment(1)	1,783,708		2,429,308
Healthcare benefits	14,866		22,299
Acceleration of equity awards:			
Market value of equity vesting on termination(2)			
280G Tax Gross-Up(3)			
Total Payment	1,798,574	\$	\$ 2,451,607

(1) Includes \$492,508 of accrued but untaken vacation. In the event of a voluntary termination, termination for cause, non-renewal of her employment agreement or termination due to death or disability effective December 31, 2018, Dr. Mates would be entitled to accrued vacation of \$492,508.

(2)

As of December 31, 2018, all stock options were under-water. Information about all stock options and other unvested equity awards held by Dr. Mates as of December 31, 2018 is included in the Outstanding Equity Awards at 2018 Fiscal Year-End table.

- (3) Based on these assumptions, Dr. Mates' payments would not result in a tax gross-up payment to her. However, the amount of the tax gross-up, if any, that would arise would depend upon the facts and circumstances at the time of a change in control and any related employment termination.

Lawrence J. Hineline

If Mr. Hineline's employment is terminated for any reason, he will be entitled to compensation and benefits through the last day of his employment, including accrued but untaken vacation. If his employment is terminated due to his death or disability, we will also pay him or his estate the compensation which would otherwise have been payable to him through the end of the month in which such termination occurs as well as payment for any

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accrued but untaken vacation. If his employment is terminated without cause by us or he terminates his employment for good reason, he will receive the following severance benefits following his employment termination, on condition that he executes a general release in our favor: (a) payment of 12 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, if any, which severance payments will be paid in one lump sum on the date the general release he executes becomes effective; (b) payment for 12 months of the portion of the COBRA premiums that we paid prior to his termination; and (c) all of his unvested stock options will become fully vested and exercisable. Mr. Hineine will also be entitled to such severance benefits if we elect not to renew his employment agreement for reasons other than death, disability or cause, but (i) such severance benefits are conditioned on Mr. Hineine executing a general release in our favor, returning all our property, and complying with his employment agreement, proprietary information, inventions, and non-competition agreement, and the general release and (ii) Mr. Hineine will not be eligible for such severance benefits if he or we wish to renew the agreement on different terms than those contained in his employment agreement. In the event of a change of control, all of his unvested stock options will immediately vest. If his employment is terminated for reasons other than death or disability within three months before or 12 months following a change of control, he terminates his employment for good reason during such period, or he terminates his employment for any reason within one month following a change of control, he will be eligible for the following severance benefits following his employment termination: (a) payment of 18 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, which severance payments will be paid in one lump sum on the eighth day following the effective date of the general release, and (b) payment for 18 months of the portion of the COBRA premiums that we paid prior to his termination. In addition, we have agreed to pay a tax gross-up to Mr. Hineine if any amounts payable by us (or a successor) to him become subject to excise taxes under Sections 280G and 4999 of the Code. Such severance benefits following a change of control are payable on condition that he executes a general release in favor of us, returns all our property and complies with his post-termination obligations under his employment agreement, his proprietary information, inventions, and non-competition agreement, and his general release.

The following table sets out the estimated potential payments upon termination or a change in control for Mr. Hineine, based on the assumptions discussed above and assuming such event occurred on December 31, 2018:

Mr. Hineine	Termination by the Company without Cause or by the Executive for Good Reason Absent a Change in Control (\$)	Acceleration of Vesting upon a Change in Control without Termination (\$)	Termination by the Company (Other than for Death or Disability) or by the Executive for Good Reason Within 3 Months Before or 12 Months Following a Change in Control or by Executive for any Reason Within One Month Following a Change in Control (\$)
Severance benefits:			
Lump sum payment(1)	837,546		1,152,746
Healthcare benefits	30,349		45,523
Acceleration of equity awards:			

Market value of equity vesting on termination(2)				
280G Tax Gross-Up(3)				
Total Payment	1,075,041	\$	\$	1,198,269

- (1) Includes \$207,146 of accrued but untaken vacation. In the event of a voluntary termination, termination for cause, non-renewal of his employment agreement or termination due to death or disability effective December 31, 2018, Mr. Hinline would be entitled to accrued vacation of \$207,146.

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- (2) As of December 31, 2018, all stock options were under-water. Information about all stock options and other unvested equity awards held by Mr. Hineline as of December 31, 2018 is included in the Outstanding Equity Awards at 2018 Fiscal Year-End table.
- (3) Based on these assumptions, Mr. Hineline's payments would not result in a tax gross-up payment to him. However, the amount of the tax gross-up, if any, that would arise would depend upon the facts and circumstances at the time of a change in control and any related employment termination.

Michael I. Halstead

If Mr. Halstead's employment is terminated for any reason, he will be entitled to compensation and benefits through the last day of his employment, including accrued but untaken vacation. If his employment is terminated due to his death or disability, we will also pay him or his estate the compensation which would otherwise have been payable to him through the end of the month in which such termination occurs as well as payment for any accrued but untaken vacation. If his employment is terminated without cause by us or he terminates his employment for good reason, he will receive the following severance benefits following his employment termination, on condition that he executes a general release in our favor, returns all our property, and complies with his employment agreement, proprietary information, inventions, and non-competition agreement, and the general release: (a) payment of 12 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, if any, which severance payments will be paid in one lump sum on the date the general release he executes becomes effective; (b) payment for 12 months of the portion of the COBRA premiums that we paid prior to his termination; and (c) all of his unvested equity grants will immediately vest. Mr. Halstead will also be entitled to such severance benefits if we elect not to renew his employment agreement for reasons other than death, disability or cause, but (i) such severance benefits are conditioned on Mr. Halstead executing a general release in our favor, returning all our property, and complying with his employment agreement, proprietary information, inventions, and non-competition agreement, and the general release and (ii) Mr. Halstead will not be eligible for such severance benefits if he or we wish to renew the agreement on different terms than those contained in his employment agreement. If his employment is terminated for reasons other than death or disability within three months before or 12 months following a change of control, or he terminates his employment for good reason during such period, he will be eligible for the following severance benefits following his employment termination: (a) payment of 18 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, which severance payments will be paid in one lump sum on the eighth day following the effective date of the general release, (b) payment for 18 months of the portion of the COBRA premiums that we paid prior to his termination, and (c) all of his unvested equity grants will immediately vest. Such severance benefits following a change of control are payable on condition that he executes a general release in favor of us, returns all our property and complies with his post-termination obligations under his employment agreement, his proprietary information, inventions, and non-competition agreement, and his general release.

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The following table sets out the estimated potential payments upon termination or a change in control for Mr. Halstead, based on the assumptions discussed above and assuming such event occurred on December 31, 2018:

Mr. Halstead	Termination by the Company without Cause or by the Executive for Good Reason Absent a Change in Control (\$)	Acceleration of Vesting upon a Change in Control without Termination (\$)	Termination by the Company (Other than for Death or Disability) or by the Executive for Good Reason Within 3 Months Before or 12 Months Following a Change in Control (\$)
Severance benefits:			
Lump sum payment	696,700		\$ 1,045,050
Healthcare benefits	42,236		\$ 63,354
Acceleration of equity awards:			
Market value of equity vesting on termination(1)			
Total Payment	\$ 738,936	\$	\$ 1,108,404

(1) As of December 31, 2018, all stock options were under-water. Information about all stock options and other unvested equity awards held by Mr. Halstead as of December 31, 2018 is included in the Outstanding Equity Awards at 2018 Fiscal Year-End table.

Robert E. Davis, Ph.D.

If Dr. Davis employment is terminated for any reason, he will be entitled to compensation and benefits through the last day of his employment, including accrued but untaken vacation. If his employment is terminated due to his death or disability, we will also pay him or his estate the compensation which would otherwise have been payable to him through the end of the month in which such termination occurs as well as payment for any accrued but untaken vacation. If his employment is terminated without cause by us or he terminates his employment for good reason, he will receive the following severance benefits following his employment termination, on condition that he executes a general release in our favor, returns all our property, and complies with his employment agreement, proprietary information, inventions, and non-competition agreement, and the general release: (a) payment of 12 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, if any, which severance payments will be paid in one lump sum on the date the general release he executes becomes effective; (b) payment for 12 months of the portion of the COBRA premiums that we paid prior to his termination; and (c) all of his unvested equity grants will immediately vest. Dr. Davis will also be entitled to such severance benefits if we elect not to renew his employment agreement for reasons other than death, disability or cause, but (i) such severance benefits are conditioned on Dr. Davis executing a general release in our favor, returning all our property, and complying with his employment agreement, proprietary information, inventions, and non-competition agreement, and the general release and (ii) Dr. Davis will not be eligible for such severance benefits if he or we wish to renew the agreement on different terms than those contained in his employment agreement. If his employment is terminated for reasons other than death or disability within three months before or 12 months following a change of

control, or he terminates his employment for good reason during such period, he will be eligible for the following severance benefits following his employment termination: (a) payment of 18 months of his then current base salary and the pro rata portion of an amount equal to the bonus he was awarded for the previous year, which severance payments will be paid in one lump sum on the eighth day following the effective date of the general release, (b) payment for 18 months of the portion of the COBRA premiums that we paid prior to his termination, and (c) all of his unvested equity grants will immediately vest. Such severance benefits following a change of control are payable on condition that he executes a general release in favor of us, returns all our property and complies with his post-termination obligations under his employment agreement, his proprietary information, inventions, and non-competition agreement, and his general release.

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The following table sets out the estimated potential payments upon termination or a change in control for Dr. Davis, based on the assumptions discussed above and assuming such event occurred on December 31, 2018:

	Termination by the Company without Cause or by the Executive for Good Reason Absent a Change in Control	Acceleration of Vesting upon a Change in Control without Termination	Termination by the Company (Other than for Death or Disability) or by the Executive for Good Reason Within 3 Months Before or 12 Months Following a Change in Control
Dr. Davis	(\$)	(\$)	(\$)
Severance benefits:			
Lump sum payment(1)	680,362		1,003,812
Healthcare benefits			
Acceleration of equity awards:			
Market value of equity vesting on termination(2)			
Total Payment	680,362	\$	1,003,812

(1) Includes \$33,462 of accrued but untaken vacation. In the event of a voluntary termination, termination for cause, non-renewal of his employment agreement or termination due to death or disability effective December 31, 2018, Dr. Davis would be entitled to accrued vacation of \$33,462.

(2) As of December 31, 2018, all stock options were under-water. Information about all stock options and other unvested equity awards held by Dr. Davis as of December 31, 2018 is included in the Outstanding Equity Awards at 2018 Fiscal Year-End table.

Kimberly Vanover, Ph.D.

If Dr. Vanover's employment is terminated for any reason, he will be entitled to compensation and benefits through the last day of her employment, including accrued but untaken vacation. If her employment is terminated due to her death or disability, we will also pay her or her estate the compensation which would otherwise have been payable to him through the end of the month in which such termination occurs as well as payment for any accrued but untaken vacation. If her employment is terminated without cause by us or she terminates her employment for good reason, she will receive the following severance benefits following her employment termination, on condition that he executes a general release in our favor, returns all our property, and complies with her employment agreement, proprietary information, inventions, and non-competition agreement, and the general release: (a) payment of 12 months of her then current base salary and the pro rata portion of an amount equal to the bonus she was awarded for the previous year, if any, which severance payments will be paid in one lump sum on the date the general release she executes becomes effective; (b) payment for 12 months of the portion of the COBRA premiums that we paid prior to her termination; and (c) all of her unvested equity grants will immediately vest. Dr. Vanover will also be entitled to such severance benefits if we elect not to renew her employment agreement for reasons other than death, disability or cause, but (i) such severance benefits are conditioned on Dr. Vanover executing a general release in our favor,

returning all our property, and complying with her employment agreement, proprietary information, inventions, and non-competition agreement, and the general release and (ii) Dr. Vanover will not be eligible for such severance benefits if she or we wish to renew the agreement on different terms than those contained in her employment agreement. If her employment is terminated for reasons other than death or disability within three months before or 12 months following a change of control, or she terminates she employment for good reason during such period, she will be eligible for the following severance benefits following her employment termination: (a) payment of 18 months of her then current base salary and the pro rata portion of an amount equal to the bonus she was awarded for the previous year, which severance payments will be paid in one lump sum on the eighth day following the effective date of the general release, (b) payment for 18 months of the portion of the COBRA premiums that we paid prior to her

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termination, and (c) all of her unvested equity grants will immediately vest. Such severance benefits following a change of control are payable on condition that she executes a general release in favor of us, returns all our property and complies with her post-termination obligations under her employment agreement, her proprietary information, inventions, and non-competition agreement, and her general release.

The following table sets out the estimated potential payments upon termination or a change in control for Dr. Vanover, based on the assumptions discussed above and assuming such event occurred on December 31, 2018:

Dr. Vanover	Termination by the Company without Cause or by the Executive for Good Reason Absent a Change in Control (\$)	Acceleration of Vesting upon a Change in Control without Termination (\$)	Termination by the Company (Other than for Death or Disability) or by the Executive for Good Reason Within 3 Months Before or 12 Months Following a Change in Control (\$)
Severance benefits:			
Lump sum payment(1)	721,692		1,028,792
Healthcare benefits	882		1,323
Acceleration of equity awards:			
Market value of equity vesting on termination(2)			
Total Payment	722,574		1,030,115

(1) Includes \$107,492 of accrued but untaken vacation. In the event of a voluntary termination, termination for cause, non-renewal of her employment agreement or termination due to death or disability effective December 31, 2018, Dr. Vanover would be entitled to accrued vacation of \$107,492.

(2) As of December 31, 2018, all stock options were under-water. Information about all stock options and other unvested equity awards held by Dr. Davis as of December 31, 2018 is included in the Outstanding Equity Awards at 2018 Fiscal Year-End table.

For purposes of severance payments, good reason is defined as the executive resigning after the occurrence of one of the following events without the executive's written consent:

the assignment to the executive of any duties or responsibilities which result in the material diminution of the executive's position;

a reduction by the Company in the executive's annual base salary of 5% or greater;

a material change in the geographic location at which the executive is required to perform services; or

material breach by the Company of any material provision of the executive's employment agreement. The executive must provide us with written notice within 60 days after the occurrence of a good reason event, and we have 30 days to correct the event after receipt of the notice.

For purposes of severance payments, "cause" is defined as a termination by us after the occurrence of one of the following events:

a good faith finding by the Company that the executive has engaged in gross negligence or gross misconduct that is materially injurious to the Company;

the executive's conviction of a felony or crime involving fraud or embezzlement of Company property;

the executive's material breach of the executive's employment agreement which, if curable, has not been cured by the executive within 60 days after he or she receives written notice from the Company stating with reasonable specificity the nature of the breach;

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material breach of fiduciary duty; or

refusal to follow or implement a clear and reasonable directive of our board of directors as a whole, provided that such directive is ethical and legal and which refusal, if curable, has not been cured by the executive within 60 days after she or he receives written notice from the Company stating with reasonable specificity the nature of such refusal.

For purposes of severance payments, the determination of disability will occur when the executive is unable due to a physical or mental condition to perform the essential functions of his or her position with or without reasonable accommodation for 90 consecutive days, or 180 days in the aggregate whether or not consecutive, during any 360-day period, or based on the written certification by a licensed physician of the likely continuation of such condition for such period.

For purposes of severance payments, a change in control means:

a sale, lease or other disposition of all or substantially all of the assets of the Company;

a consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, own less than 50% of the outstanding voting power of the surviving entity (and its parent) following the consolidation, merger or reorganization; or

any transaction (or series of related transactions involving a person or entity, or a group of affiliated persons or entities) in which in excess of 50% of the Company's outstanding voting power is transferred.

Notwithstanding the foregoing, a change in control will not be deemed to occur on account of the sale or acquisition of the Company's capital stock by institutional investors or venture capital firms for the primary purpose of obtaining financing for the Company.

Pay Ratio Disclosure

Following is a reasonable estimate, prepared under SEC rules, of the ratio of the annual total compensation of our Chief Executive Officer to the median of the annual total compensation of our other employees. To determine our population of employees, we included all employees as of December 31, 2018. We determined our median employee from our employee population by aggregating each employee's 2018 base salary, annual bonus paid for 2018 performance, stock-based compensation granted in 2018 (based on the grant date fair value) and other payments made in 2018 (including 401(k) employer match and group term life benefits). We annualized the compensation of employees who joined the Company during 201. The annual total compensation of our median employee (other than the Chief Executive Officer) for 2017 was \$337,867. As disclosed in the Summary Compensation Table appearing on page 38, our Chief Executive Officer's annual total compensation for 2018 was \$4,476,469. Based on the foregoing, our estimate of the ratio of the annual total compensation of our Chief Executive Officer to the median of the annual total compensation of all other employees was approximately 13 to 1. Given the different methodologies that public companies will use to determine an estimate of their pay ratio, the estimated ratio reported above should not be used as a basis for comparison between companies. Neither the compensation committee nor our management used our pay ratio in making compensation decisions.

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The following table shows the total compensation paid or accrued during the fiscal year ended December 31, 2018 to each of our directors, other than Dr. Mates who does not receive compensation for her service as a director.

Name	Fees			Total (\$)
	Earned or Paid in Cash (\$)(1)	Option Awards(2) (\$)	Stock Awards(3) (\$)	
Christopher Alafi, Ph.D.(4)	57,967	289,318		347,285
Richard Lerner, M.D.(5)	54,977	289,318		344,295
Joel S. Marcus(6)	60,000		289,314(8)	349,314
Rory Riggs(7)	57,967		289,314(9)	347,281
Robert L. Van Nostrand(10)	65,370	289,318		354,688

- (1) These amounts represent the amount of cash fees that each non-employee director elected to receive as fully vested shares of common stock as described below under Director Compensation Policy, except that Mr. Van Nostrand elected to receive \$21,619 of his cash fees as fully vested shares of common stock and the remainder of such fees in cash and Mr. Marcus elected to receive all of his fees in cash.
- (2) These amounts represent the aggregate grant date fair value for option awards granted to our directors, computed in accordance with FASB ASC Topic 718. See Note 4 to our audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for details as to the assumptions used to calculate the fair value of the option awards. See also our discussion of stock-based compensation under Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates in our Annual Report on Form 10-K.
- (3) These amounts represent the aggregate grant date fair value of stock awards granted to our directors, computed in accordance with FASB ASC 718. See Note 4 to our audited financial statements for the fiscal year ended December 31, 2018 included in our Annual Report on Form 10-K for details as to the assumptions used to calculate the fair value of the option awards. See also our discussion of stock-based compensation under Management's Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies and Estimates in our Annual Report on Form 10-K.
- (4) As of December 31, 2018, Dr. Alafi held options to purchase 129,375 shares of our common stock, of which options to purchase 109,375 shares were vested.
- (5) As of December 31, 2018, Dr. Lerner, individually, held no options to purchase shares of our common stock. The Lerner Family Trust UAD 11/14/94, or the Lerner Family Trust, held options to purchase 170,000 shares of our common stock, 150,000 of which were vested. Dr. Lerner shares voting and investment control with respect to the options held by the Lerner Family Trust.
- (6) As of December 31, 2018, Mr. Marcus held options to purchase 80,000 shares of our common stock, of which options to purchase all shares were vested.
- (7) As of December 31, 2018, Mr. Riggs held options to purchase 100,000 shares of our common stock, of which options to purchase 80,000 shares were vested.
- (8) As of December 31, 2018, Mr. Marcus held stock units which vest on June 18, 2019.
- (9) As of December 31, 2018, Mr. Riggs held stock units which vest on June 18, 2019.
- (10)

As of December 31, 2018, Mr. Van Nostrand held options to purchase 100,000 shares of our common stock, of which options to purchase all shares were vested.

Director Compensation Policy

In June 2014, our board of directors adopted the non-employee director compensation policy, or our director compensation policy. The policy is designed to seek to ensure that the compensation aligns our non-employee directors' interests with the long-term interests of our stockholders, that the structure of the compensation is simple, transparent and easy for stockholders to understand and that our non-employee directors are fairly

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compensated. Directors who are also our employees, such as Dr. Mates, will not receive additional compensation for their services as directors.

Pursuant to our director compensation policy, in each year of a non-employee director's tenure, the director is granted a non-qualified stock option to purchase 20,000 shares of our common stock on the date of our annual meeting of stockholders (or the number of restricted stock units having the equivalent value, as elected by the director at least 30 days prior to the date of the annual meeting of stockholders). Upon the initial election or appointment to the board of directors, new non-employee directors are granted a non-qualified stock option to purchase 20,000 shares of our common stock. All annual and initial stock option and restricted stock unit grants to our non-employee directors under the director compensation policy fully vest on the one year anniversary of the grant date and fully vest immediately prior to a change of control, as defined in our director compensation policy.

In addition, pursuant to our director compensation policy, until March 30, 2016, each non-employee director was paid an annual retainer of \$30,000, or \$50,000 in the case of the chairperson, for their services. Committee members received additional annual retainers as follows:

Committee	Chairman	Member
Audit Committee	\$ 15,000	\$ 7,500
Compensation Committee	10,000	5,000
Nominating and Governance Committee	7,000	3,000

On March 30, 2016, our director compensation policy was amended to increase the annual retainers as follows: each non-employee director is paid an annual retainer of \$40,000, or \$50,000 in the case of the chairperson or lead independent director, as applicable, for their services. Committee members receive additional annual retainers as follows:

Committee	Chairman	Member
Audit Committee	\$ 20,000	\$ 10,000
Compensation Committee	15,000	8,000
Nominating and Governance Committee	10,000	5,000

Cash fees payable to our non-employee directors are paid quarterly. Upon the initial election or appointment to the board of directors, new non-employee directors receive a pro rata portion of his or her cash fee for the quarter in which he or she was first elected or appointed. In lieu of all or a portion of the annual cash fees, each non-employee director may elect to receive fully-vested shares of common stock or a fully-vested non-qualified stock option under the 2018 Plan for the equivalent value of the cash fees due. The number of shares of fully-vested common stock will be calculated by dividing the cash fees by the fair market value of our common stock as determined under the 2018 Plan on the last business day of the applicable fiscal quarter. The number of shares of common stock underlying the stock option will be calculated by determining the number of shares that is equivalent to the cash fees due as determined using the Black-Scholes value applicable to our stock option grants calculated on the last business day of the applicable fiscal quarter.

We have reimbursed and will continue to reimburse our non-employee directors for their reasonable expenses incurred in attending meetings of our board of directors and committees of the board of directors and in connection with other business related to our board of directors.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides certain aggregate information with respect to all of our equity compensation plans in effect as of December 31, 2018.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders(1)(2)	4,748,391(1)	\$ 18.26	4,807,323(2)
Equity compensation plans not approved by security holders			
Total	4,748,391(1)	\$ 18.26	4,807,323(2)

(1) Consists of options to purchase 395,040 shares outstanding under the 2003 Equity Incentive Plan, or 2003 Plan, and options to purchase 4,353,351 shares outstanding under the 2018 Plan at December 31, 2018.

(2) Consists of 4,807,323 shares reserved under the 2018 Plan as of December 31, 2018. Does not include up to an additional 395,040 shares reserved under the 2018 Plan solely after the cancellation or expiration of any unexercised stock options outstanding under the 2003 Plan that we assumed in the Merger, subject to adjustment as provided in the plan. The 2003 Plan terminated by its terms in July 2013. As a result of such termination, no additional awards may be granted under the 2003 Plan, but equity awards previously granted under the 2003 Plan will remain outstanding and continue to be governed by the terms of the 2003 Plan.

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REPORT OF AUDIT COMMITTEE

The audit committee of the board of directors, which consists entirely of directors who meet the independence and experience requirements of The Nasdaq Stock Market, has furnished the following report:

The audit committee assists the board of directors in overseeing and monitoring the integrity of our financial reporting process, compliance with legal and regulatory requirements and the quality of internal and external audit processes. This committee's role and responsibilities are set forth in our charter adopted by the board of directors, which is available on our website at <http://ir.intracellulartherapies.com/corporate-governance>. This committee reviews and reassesses our charter annually and recommends any changes to the board of directors for approval. The audit committee is responsible for overseeing our overall financial reporting process, and for the appointment, compensation, retention, and oversight of the work of Ernst & Young LLP, our independent registered public accounting firm. In fulfilling its responsibilities for the financial statements for fiscal year 2018, the audit committee took the following actions:

Reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2018 with management and Ernst & Young LLP;

Discussed with Ernst & Young LLP the matters required to be discussed in accordance with Auditing Standard No. 1301 *Communications with Audit Committees*; and

Received written disclosures and the letter from Ernst & Young LLP regarding its independence as required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the audit committee and the audit committee further discussed with Ernst & Young LLP their independence. The audit committee also considered the status of pending litigation, taxation matters and other areas of oversight relating to the financial reporting and audit process that the committee determined appropriate.

Based on the audit committee's review of the audited financial statements and discussions with management and Ernst & Young LLP, the audit committee recommended to the board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC.

Members of the Audit Committee

Robert L. Van Nostrand, Chair

Richard Lerner, M.D.

Rory B. Riggs

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations regarding the filing of required reports, we believe that all Section 16(a) filing requirements applicable to our directors, executive officers and greater-than-ten-percent beneficial owners with respect to fiscal 2018 were met.

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CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above in Executive Officer and Director Compensation, since January 1, 2018, we have engaged in the following transactions in which the amount involved exceeded \$120,000 and in which any director, executive officer or holder of more than 5% of our voting securities, whom we refer to as our principal stockholders, or affiliates or immediate family members of our directors, executive officers and principal stockholders, had or will have a material interest. We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

One of our directors is affiliated with one of our principal stockholders as indicated in the table below:

Director

Christopher Alafi, Ph.D.

Indemnification Agreements

Affiliation with Principal Stockholder

Dr. Alafi is a General Partner of Alafi Capital Company, LLC.

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements, our restated certificate of incorporation and our restated bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law.

Lease Agreement

On March 31, 2014, we entered into a long-term lease, which was amended in 2015, with ARE-East River Science Park LLC for 16,753 square feet of useable laboratory and office space located at 430 East 29th Street, New York, New York 10016. In September 2018, we further amended the lease to obtain an additional 15,534 square feet of office space beginning October 1, 2018 and to extend the term of the lease for previously acquired space. The lease, as amended, has a term of 14.3 years ending in May 2029. Joel S. Marcus, one of our directors, is Chairman and Founder of Alexandria Real Estate Equities, Inc., which is the parent company to the landlord under the lease.

Policy for Approval of Related Person Transactions

Pursuant to the written charter of our audit committee, the audit committee is responsible for reviewing and approving, prior to our entry into any such transaction, all transactions in which we are a participant and in which any parties related to us, including our executive officers, our directors, beneficial owners of more than 5% of our securities, immediate family members of the foregoing persons and any other persons whom our board of directors determines may be considered related parties under Item 404 of Regulation S-K, has or will have a direct or indirect material interest.

In reviewing and approving such transactions, the audit committee will obtain, or will direct our management to obtain on its behalf, all information that the committee believes to be relevant and important to a review of the transaction prior to its approval. Following receipt of the necessary information, a discussion will be held of the relevant factors if deemed to be necessary by the committee prior to approval. If a discussion is not deemed to be necessary, approval may be given by written consent of the committee. This approval authority may also be delegated to the chair of the audit committee in some circumstances. No related party transaction will be entered into prior to the completion of these procedures.

The audit committee or its chair, as the case may be, will approve only those related party transactions that are determined to be in, or not inconsistent with, the best interests of us and our stockholders, taking into account

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all available facts and circumstances as the committee or the chair determines in good faith to be necessary in accordance with principles of Delaware law generally applicable to directors of a Delaware corporation. These facts and circumstances will typically include, but not be limited to, the benefits of the transaction to us; the impact on a director's independence in the event the related party is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms of comparable transactions that would be available to unrelated third parties or to employees generally. No member of the audit committee will participate in any review, consideration or approval of any related party transaction with respect to which the member or any of his or her immediate family members has an interest.

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PROPOSAL 1

ELECTION OF THREE CLASS 3 DIRECTORS TO HOLD OFFICE UNTIL THE 2022 ANNUAL MEETING

On March 5, 2019, our board of directors nominated Sharon Mates, Ph.D., Rory B. Riggs and Robert L. Van Nostrand for election at the annual meeting. The board of directors currently consists of six members, classified into three classes as follows: (1) Sharon Mates, Ph.D., Rory B. Riggs and Robert L. Van Nostrand constitute a class with a term ending at the 2019 annual meeting; (2) Richard Lerner, M.D. constitutes a class with a term ending at the 2020 annual meeting; and (3) Christopher Alafi, Ph.D. and Joel S. Marcus constitute a class with a term ending at the 2021 annual meeting. At each annual meeting of stockholders, directors are elected for a full term of three years to succeed those directors whose terms are expiring.

The board of directors has voted to nominate Sharon Mates, Ph.D., Rory B. Riggs and Robert L. Van Nostrand for election at the annual meeting for a term of three years to serve until the 2022 annual meeting of stockholders, and until their respective successors are elected and qualified. The Class 1 director (Richard Lerner, M.D.) and Class 2 directors (Christopher Alafi, Ph.D. and Joel S. Marcus) will serve until the annual meetings of stockholders to be held in 2020 and 2021, respectively, and until their respective successors have been elected and qualified.

Unless authority to vote for any of these nominees is withheld, the shares represented by the enclosed proxy will be voted **FOR** the election of Sharon Mates, Ph.D., Rory B. Riggs and Robert L. Van Nostrand as directors. In the event that any nominee becomes unable or unwilling to serve, the shares represented by the enclosed proxy will be voted for the election of such other person as the board of directors may recommend in the nominee's place. We have no reason to believe that any nominee will be unable or unwilling to serve as a director.

A plurality of the shares voted **FOR** each nominee at the annual meeting is required to elect each nominee as a director.

THE BOARD OF DIRECTORS RECOMMENDS THE ELECTION OF SHARON MATES, PH.D., RORY B. RIGGS AND ROBERT L. VAN NOSTRAND AS DIRECTORS, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR THEREOF UNLESS A STOCKHOLDER HAS INDICATED OTHERWISE ON THE PROXY.

Table of Contents**PROPOSAL 2****RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee has appointed Ernst & Young LLP, as our independent registered public accounting firm, to audit our financial statements for the fiscal year ending December 31, 2019. The board of directors proposes that the stockholders ratify this appointment. Ernst & Young LLP audited our financial statements for the fiscal year ended December 31, 2018. We expect that representatives of Ernst & Young LLP will be present at the annual meeting, will be able to make a statement if they so desire, and will be available to respond to appropriate questions.

In deciding to appoint Ernst & Young LLP, the audit committee reviewed auditor independence issues and existing commercial relationships with Ernst & Young LLP and concluded that Ernst & Young LLP has no commercial relationship with the Company that would impair its independence for the fiscal year ending December 31, 2019.

The following table presents fees for professional audit services rendered by Ernst & Young LLP for the audit of our annual financial statements for the years ended December 31, 2018 and 2017, and fees billed for other services rendered by Ernst & Young LLP during those periods.

	2018	2017
Audit Fees(1)	\$ 915,576	\$ 947,861
Audit-Related Fees		
Tax Fees(2)	\$ 158,000	\$ 604,850
All Other Fees		
Total	\$ 1,073,576	\$ 1,552,711

- (1) Audit fees consisted of audit work performed in the preparation of financial statements and services in connection with our periodic and current SEC filings and registration statements, as well as work generally only the independent registered public accounting firm can reasonably be expected to provide, such as statutory audits.
- (2) Tax fees consist principally of assistance with matters related to federal, state, local and foreign tax consulting, compliance and reporting.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-audit Services of Independent Public Accountant

Consistent with SEC policies regarding auditor independence, the audit committee has responsibility for appointing, setting compensation and overseeing the work of our independent registered public accounting firm. In recognition of this responsibility, the audit committee has established a policy to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm.

Prior to engagement of an independent registered public accounting firm for the next year's audit, management will submit an aggregate of services expected to be rendered during that year for each of four categories of services to the audit committee for approval.

1. **Audit** services include audit work performed in the preparation of financial statements, as well as work that generally only an independent registered public accounting firm can reasonably be expected to provide, including comfort letters, statutory audits, and attest services and consultation regarding financial accounting and/or reporting

standards.

2. ***Audit-Related*** services are for assurance and related services that are traditionally performed by an independent registered public accounting firm, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

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3. **Tax** services include all services performed by an independent registered public accounting firm's tax personnel except those services specifically related to the audit of the financial statements, and include fees in the areas of tax compliance, tax planning, and tax advice.

4. **Other Fees** are those associated with services not captured in the other categories. We generally do not request such services from our independent registered public accounting firm.

Prior to engagement, the audit committee pre-approves these services by category of service. The fees are budgeted and the audit committee requires our independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage our independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the audit committee requires specific pre-approval before engaging our independent registered public accounting firm.

The audit committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the audit committee at its next scheduled meeting.

In the event the stockholders do not ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm, the audit committee will reconsider its appointment.

The affirmative vote of a majority of the shares cast affirmatively or negatively at the annual meeting is required to ratify the appointment of the independent registered public accounting firm.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH RATIFICATION UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

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PROPOSAL 3

ADVISORY VOTE ON APPROVAL OF EXECUTIVE COMPENSATION AS DISCLOSED IN THIS PROXY STATEMENT

We are seeking your advisory vote as required by Section 14A of the Exchange Act on the approval of the compensation of our named executive officers as described in the Compensation Discussion and Analysis, the compensation tables and related material contained in this proxy statement. Because your vote is advisory, it will not be binding on our compensation committee or our board of directors. However, the compensation committee and the board of directors will review the voting results and take them into consideration when making future decisions regarding executive compensation. We have determined to hold an advisory vote to approve the compensation of our named executive officers annually, and the next such advisory vote will occur at the 2020 annual meeting of stockholders.

Our overall compensation program is structured to attract, motivate and retain highly qualified executive officers by paying them competitively, consistent with our success and their contribution to that success. Our ability to excel depends on the skill, creativity, integrity and teamwork of our employees. Given the long product development cycles in our business, we believe that compensation should be structured to ensure that a portion of compensation opportunity will be related to factors that directly and indirectly influence long-term stockholder value. Our compensation philosophy has been driven by a number of factors that are closely linked with our broader strategic objectives.

Stockholders are urged to read the Compensation Discussion and Analysis section of this proxy statement, which discusses how our compensation policies and procedures implement our compensation philosophy. The compensation committee and the board of directors believe that these policies and procedures are effective in implementing our compensation philosophy and in achieving our goals.

In accordance with the rules of the SEC, the following resolution, commonly known as a "say-on-pay" vote, is being submitted for a stockholder vote at the 2019 annual meeting of stockholders:

RESOLVED, that the compensation paid to the named executive officers of Intra-Cellular Therapies, Inc., as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the related material disclosed in this proxy statement, is hereby APPROVED.

The affirmative vote of a majority of the shares cast affirmatively or negatively for this proposal is required to approve, on an advisory basis, this resolution.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AND PROXIES SOLICITED BY THE BOARD WILL BE VOTED IN FAVOR OF SUCH APPROVAL UNLESS A STOCKHOLDER INDICATES OTHERWISE ON THE PROXY.

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CODE OF CONDUCT AND ETHICS

We have adopted a code of conduct and ethics that applies to all of our employees, including our chief executive officer and chief financial and accounting officers. The text of the code of conduct and ethics is posted on our website at <http://ir.intracellulartherapies.com/corporate-governance>. Disclosure regarding any amendments to, or waivers from, provisions of the code of conduct and ethics that apply to our directors, principal executive officer or principal financial officer will be included in a Current Report on Form 8-K within four business days following the date of the amendment or waiver, unless website posting or the issuance of a press release of such amendments or waivers is then permitted by the rules of The Nasdaq Stock Market.

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OTHER MATTERS

The board of directors knows of no other business which will be presented to the annual meeting. If any other business is properly brought before the annual meeting, proxies will be voted in accordance with the judgment of the persons named therein.

STOCKHOLDER PROPOSALS AND NOMINATIONS FOR DIRECTOR

To be considered for inclusion in the proxy statement relating to our 2020 annual meeting of stockholders, we must receive stockholder proposals (other than for director nominations) no later than January 9, 2020. To be considered for presentation at the 2020 annual meeting, although not included in the proxy statement, proposals (including director nominations that are not requested to be included in our proxy statement) must be received no earlier than February 26, 2020 and no later than March 27, 2020. Proposals that are not received in a timely manner will not be voted on at the 2020 annual meeting. If a proposal is received on time, the proxies that management solicits for the meeting may still exercise discretionary voting authority on the proposal under circumstances consistent with the proxy rules of the SEC. All stockholder proposals should be marked for the attention of Corporate Secretary, Intra-Cellular Therapies, Inc., 430 East 29th Street, New York, New York 10016.

New York, New York

April 30, 2019

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Your vote matters here's how to vote!

You may vote online or by phone instead of mailing this card.

Votes submitted electronically must be received by 11:59 p.m., Eastern Time, on June 24, 2019.

Online

Go to www.envisionreports.com/ITCI or scan the QR code login details are located in the shaded bar below.

Phone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories and Canada

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Save paper, time and money!

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IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A The Board of Directors recommends a vote FOR the election of the Directors listed in Proposal 1 and FOR Proposals 2 and 3.

1. Election of Directors:

For Withhold

For Withhold

For Withhold

01 - Sharon Mates,
Ph.D.

02 - Rory B.
Riggs

03 - Robert L.
Van Nostrand

For Against Abstain

2. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019.

For Against Abstain

3. To approve by an advisory vote the compensation of the Company's named executive officers, as disclosed in the proxy statement.

B Authorized Signatures This section must be completed for your vote to count. Please date and sign below.

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature with

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2019 Annual Meeting Admission Ticket

2019 Annual Meeting of Intra-Cellular Therapies, Inc. Stockholders

June 25, 2019, 10:00 A.M. Local Time

Apella™

450 East 29th Street, New York, NY 10016

Upon arrival, please present this admission ticket and photo identification at the registration desk.

Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.

The material is available at: www.envisionreports.com/ITCI

Small steps make an impact.

Help the environment by consenting to receive electronic
delivery, sign up at www.envisionreports.com/ITCI

**q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED
ENVELOPE. q**

Notice of 2019 Annual Meeting of Stockholders

To be held at Apella™, 450 East 29th Street, New York, NY

Proxy Solicited by Board of Directors for Annual Meeting June 25, 2019

Michael I. Halstead and Lawrence J. Hine (the Proxies), or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Intra-Cellular Therapies, Inc. to be held on June 25, 2019 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR the election of the Directors listed in Proposal 1 and FOR Proposals 2

and 3.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting or at any postponement or adjournment thereof.

(Items to be voted appear on reverse side)

C Non-Voting Items

Change of Address Please print new address below.

Comments Please print your comments below.

Meeting Attendance

Mark box to the right if you plan to attend the Annual Meeting.