

TherapeuticsMD, Inc.
Form DEF 14A
April 27, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

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

(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

TherapeuticsMD, 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.

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Date Filed:

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THERAPEUTICSMD, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 25, 2018**

An Annual Meeting of Stockholders of TherapeuticsMD, Inc., a Nevada corporation, will be held at 8:00 a.m., local time, on Monday, June 25, 2018, at the Renaissance Boca Raton Hotel, 2000 NW 19th Street, Boca Raton, Florida 33431, for the following purposes:

1. To elect directors to serve until our next annual meeting of stockholders or until their successors are duly elected and qualified;
2. To approve, on a non-binding advisory basis, the compensation of our named executive officers for the fiscal year ended December 31, 2017 (“say-on-pay”);
3. To ratify the appointment of Grant Thornton LLP, or Grant Thornton, an independent registered public accounting firm, as the independent auditor of our company for the fiscal year ending December 31, 2018; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

Only stockholders of record at the close of business on April 26, 2018 are entitled to notice of and to vote at the meeting.

All stockholders are cordially invited to attend the meeting and vote in person. To assure your representation at the meeting, however, we urge you to vote by proxy as promptly as possible over the Internet or by telephone as instructed in the Notice of Internet Availability of Proxy Materials or, if you receive paper copies of the proxy

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materials by mail, you can also vote by mail by following the instructions on the proxy card. You may revoke your proxy and vote in person at the meeting even if you have previously returned a proxy.

By Order of the Board of Directors,

/s/ John C.K. Milligan, IV

JOHN C.K. MILLIGAN, IV

Secretary

Boca Raton, Florida

April 27, 2018

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THERAPEUTICSMD, INC.

6800 Broken Sound Parkway NW, Third Floor

Boca Raton, Florida 33487

PROXY STATEMENT

VOTING AND OTHER MATTERS

General

The accompanying proxy is solicited on behalf of TherapeuticsMD, Inc., a Nevada corporation, by our Board of Directors for use at our Annual Meeting of Stockholders to be held at 8:00 a.m., local time, on Monday, June 25, 2018, or at any adjournment thereof, for the purposes set forth in this proxy statement and in the accompanying notice. The meeting will be held at the Renaissance Boca Raton Hotel located at 2000 NW 19th Street, Boca Raton, Florida 33431.

In accordance with rules adopted by the Securities and Exchange Commission, or the SEC, that allow companies to furnish their proxy materials over the Internet, we are mailing a Notice of Internet Availability of Proxy Materials instead of a paper copy of our proxy statement and our 2017 Annual Report to most of our stockholders. The Notice of Internet Availability of Proxy Materials contains instructions on how to access those documents and vote over the Internet. The Notice of Internet Availability of Proxy Materials also contains instructions on how to request a paper copy of our proxy materials, including our proxy statement, our 2017 Annual Report, and a proxy card. We believe this process will allow us to provide our stockholders the information they need in a more timely manner, while reducing the environmental impact and lowering our costs of printing and delivering the proxy materials.

These proxy solicitation materials were first distributed on or about May 4, 2018 to all stockholders entitled to vote at the meeting.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on June 25, 2018. These proxy materials, which include the notice of annual meeting, this proxy statement, and our 2017 Annual Report for the fiscal year ended December 31, 2017, are available at www.proxyvote.com.

Record Date and Outstanding Shares

Stockholders of record at the close of business on April 26, 2018 are entitled to notice of and to vote at the meeting. On the record date, there were issued and outstanding 216,584,274 shares of our common stock. Each holder of common stock voting at the meeting, either in person or by proxy, may cast one vote per share of common stock held on all matters to be voted on at the meeting.

If, at the close of business on April 26, 2018, your shares were registered directly in your name with our transfer agent, Computershare Trust Company, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting. However, whether or not you plan to attend the meeting, we urge you to vote by proxy over the Internet or by telephone as instructed on the Notice of Internet Availability of Proxy Materials, or to fill out and return the proxy card to ensure your vote is counted. Even if you have submitted a proxy before the meeting, you may still attend the meeting, revoke your proxy and vote in person.

If, at the close of business on April 26, 2018, your shares were held in an account at a brokerage firm, bank, or similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the meeting. As a beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote the shares in your account. You should have received voting instructions with these proxy materials from that organization rather than from us. You should follow the instructions provided by that organization to submit your vote. You are also invited to attend the meeting in person. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you obtain a “legal proxy” from the broker, bank, or other nominee that holds your shares giving you the right to vote the shares at the meeting.

Quorum

The presence, in person or by proxy, of the holders of a majority of the total number of shares entitled to vote constitutes a quorum for the transaction of business at the meeting.

Required Votes

Assuming that a quorum is present, the ten persons receiving the largest number of “for” votes of our common stock present in person or by proxy at the meeting and entitled to vote (a plurality) will be elected directors. Stockholders do not have the right to cumulate their votes in the election of directors. We have adopted a majority voting policy as part of our Corporate Governance Guidelines. The majority voting policy is applicable solely to uncontested elections, which are those elections in which the number of nominees for election is less than or equal to the number of directors to be elected. Under the majority voting policy, any nominee for director who receives more “withheld” votes than “for” votes in an uncontested election must submit a written offer to resign as director. Any such resignation will be reviewed by the Nominating and Corporate Governance Committee and, within 90 days after the election, the independent members of our Board of Directors will determine whether to accept, reject or take other appropriate action with respect to, the resignation, in furtherance of the best interests of TherapeuticsMD and our stockholders.

Assuming that a quorum is present, the affirmative vote of a majority of the votes cast will be required to ratify the appointment of Grant Thornton as the independent auditor of our company for the fiscal year ending December 31, 2018. The advisory vote on the compensation of our named executive officers for the fiscal year ended December 31, 2017 (“say-on-pay”) is non-binding, but our Board of Directors and our Compensation Committee of the Board of Directors, or the Compensation Committee, will consider the input of stockholders based on a majority of votes cast.

Votes cast by proxy or in person at the meeting will be tabulated by the election inspector appointed for the meeting who will determine whether a quorum is present. The election inspector will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but as unvoted for purposes of determining the approval of any matter submitted to the stockholders for a vote. If a brokerage firm, bank, or similar organization indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter.

Voting of Proxies

When a proxy is properly executed and returned, the shares it represents will be voted at the meeting as directed. If no specification is indicated, the shares will be voted (1) “for” the election of each of the ten nominees for director set forth in this proxy statement, (2) “for” the approval of the compensation of our named executive officers for the fiscal year ended December 31, 2017, (3) “for” the ratification of the appointment of Grant Thornton, an independent registered public accounting firm, as the independent auditor of our company for the fiscal year ending December 31, 2018, and (4) as the persons specified in the proxy deem advisable on such other matters as may come before the meeting.

Broker Non-Votes and Abstentions

Brokers, banks, or other nominees that hold shares of common stock in “street name” for a beneficial owner of those shares typically have the authority to vote in their discretion if permitted by the stock exchange or other organization of which they are members. Brokers, banks, and other nominees are permitted to vote the beneficial owner’s proxy in their own discretion as to certain “routine” proposals when they have not received instructions from the beneficial owner, such as the ratification of the appointment of Grant Thornton as the independent auditor of our company for the fiscal year ending December 31, 2018. If a broker, bank, or other nominee votes such “uninstructed” shares for or against a “routine” proposal, those shares will be counted towards determining whether or not a quorum is present and are considered entitled to vote on the “routine” proposals. However, where a proposal is “non-routine,” a broker, bank, or other nominee is not permitted to exercise its voting discretion on that proposal without specific instructions from the beneficial owner. These non-voted shares are referred to as “broker non-votes” when the nominee has voted on other non-routine matters with authorization or voted on routine matters. These shares will be counted towards determining whether or not a quorum is present, but will not be considered entitled to vote on the “non-routine” proposals.

Please note that brokers, banks, and other nominees may not use discretionary authority to vote shares on the election of directors or the approval of the compensation of our named executive officers if they have not received specific instructions from their clients. For your vote to be counted in the above, you now will need to communicate your voting decisions to your broker, bank, or other nominee before the date of the meeting.

As provided in our bylaws, as amended, a majority of the votes cast means that the number of votes cast “for” a proposal exceeds the number of votes cast “against” that proposal. Because abstentions and broker non-votes do not represent votes cast “for” or “against” a proposal, broker non-votes and abstentions will have no effect on the proposal to elect directors, the say-on-pay proposal, or the proposal to ratify the appointment of Grant Thornton as the independent auditor of our company for the fiscal year ending December 31, 2018, as each such proposal is determined by reference to the votes actually cast by the shares present or represented by proxy and entitled to vote.

Revocability of Proxies

Any stockholder giving a proxy may revoke the proxy at any time before its use by furnishing to us either a written notice of revocation or a duly executed proxy bearing a later date, or by attending the meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request.

Election Inspector

Votes cast by proxy or in person at the meeting will be tabulated by the election inspector appointed for the meeting, who will determine whether a quorum is present. The election inspector will treat broker non-votes and abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum, and as described in the “Broker Non-Votes and Abstentions” section of this proxy statement for purposes of determining the approval of any matter submitted to the stockholders for a vote.

Solicitation

We will bear the cost of this solicitation. In addition, we may reimburse brokerage firms and other persons representing beneficial owners of shares for expenses incurred in forwarding solicitation materials to such beneficial owners. Proxies also may be solicited by certain of our directors and officers, personally or by telephone or e-mail, without additional compensation.

Annual Report and Other Matters

Our 2017 Annual Report on Form 10-K, which was made available to stockholders with or preceding this proxy statement, contains financial and other information about our company, but, except as indicated therein, is not incorporated into this proxy statement and is not to be considered a part of these proxy materials or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The information contained in the “Compensation Committee Report” and the “Report of the Audit Committee” shall not be deemed “filed” with the SEC or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act.

Through our website, www.therapeuticsmd.com, we make available free of charge all of our SEC filings, including our proxy statements, our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K, as well as Form 3, Form 4, and Form 5 reports of our directors, officers, and principal stockholders, together with amendments to these reports filed or furnished pursuant to Sections 13(a), 15(d), or 16 of the Exchange Act.

We will provide, without charge, a printed copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 as filed with the SEC to each stockholder that requests a copy in writing. Any exhibits listed in the Form 10-K report also will be furnished upon request at the actual expense incurred by us in furnishing such exhibits. Any such requests should be directed to our company's secretary at our executive offices set forth in this proxy statement.

PROPOSAL ONE

ELECTION OF DIRECTORS

Nominees

Our amended and restated articles of incorporation and bylaws, each as amended, provide that the number of directors shall be fixed from time to time by resolution of our Board of Directors. Presently, the number of directors is fixed at ten. Our bylaws, as amended, provide that all directors are elected at each annual meeting of our stockholders for a term of one year and hold office until their successors are elected and qualified.

A board of ten directors is to be elected at this meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them “for” each of the nominees named below. All of the nominees currently are directors of our company. In the event that any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee designated by our current Board of Directors to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director.

Vote Required

Assuming that a quorum is present, the ten persons receiving the largest number of “for” votes of our common stock present in person or by proxy at the meeting and entitled to vote (a plurality) will be elected directors, subject to the majority voting policy in our Corporate Governance Guidelines.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE NOMINEES LISTED BELOW.

The following table sets forth certain information regarding the nominees for directors of our company.

Name	Age	Position
Tommy G. Thompson	76	Chairman of the Board ⁽¹⁾⁽²⁾
Robert G. Finizio	48	Chief Executive Officer and Director

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John C.K. Milligan, IV	55	President, Secretary and Director
Brian Bernick, M.D.	49	Chief Clinical Officer and Director
Jane F. Barlow, M.D., M.B.A, M.P.H.	57	Director
J. Martin Carroll	68	Director ⁽¹⁾⁽²⁾
Cooper C. Collins	39	Director ⁽²⁾⁽³⁾
Robert V. LaPenta, Jr.	49	Director ⁽¹⁾⁽³⁾
Jules A. Musing	70	Director
Angus C. Russell	62	Director ⁽³⁾
Nicholas Segal	35	Director ⁽³⁾

(1)Member of Nominating and Corporate Governance Committee.

(2)Member of the Compensation Committee.

(3)Member of the Audit Committee.

Tommy G. Thompson has served as the Chairman of the Board of Directors of our company since May 2012. Mr. Thompson currently serves as the Chief Executive Officer of Thompson Holdings, a consulting firm. As the Governor of Wisconsin from January 1987 to February 2001, Secretary Thompson was perhaps best known for his efforts to revitalize the Wisconsin economy, for his national leadership on welfare reform, and for his work toward expanding health care access across all segments of society. As the former Secretary of the U.S. Department of Health & Human Services, or HHS, from February 2001 to January 2005, Secretary Thompson served as the nation's leading advocate for the health and welfare of all Americans. Secretary Thompson was a partner in the law firm of Akin Gump Strauss Hauer & Feld LLP, or Akin Gump, from March 2005 to January 2012, when he resigned to run for the United States Senate. Secretary Thompson served as an Independent Chairman of the Deloitte Center for Health Solutions, a health care consulting company, from March 2005 to May 2009. At the Deloitte Center for Health Solutions and at Akin Gump, Secretary Thompson built on his efforts at HHS to work toward developing solutions to the health care challenges facing American families, businesses, communities, states, and the nation as a whole. Secretary Thompson has also served as the President of Logistics Health, Inc., a provider of medical readiness and homeland security solutions, from February 2005 to January 2011. Secretary Thompson has served as a Senior Fellow for the Bipartisan Policy Center, a non-profit organization focused on bipartisan advocacy and policymaking, since July 2013. Secretary Thompson also serves as a member of the board of directors for the following public companies: Centene Corporation [NYSE: CNC], United Therapeutics Corporation [NASDAQ: UTHR] and Physicians Realty Trust [NYSE: DOC]. Secretary Thompson also served as a member of the boards of directors of C. R. Bard, Inc. [NYSE: BCR] from August 2005 to January 2018, Cytori Therapeutics, Inc. [NASDAQ: CYTX] from April 2011 to May 2016, CareView Communications, Inc. [OTCQB: CRVW] from July 2005 to January 2014, Cancer Genetics, Inc. [NASDAQ: CGIX] from 2008 to January 2014, Pure Bioscience, Inc. [NASDAQ: PURE] from February 2006 to August 2009, SpectraScience, Inc. [OTCBB: SCIE] from September 2007 to December 2009, AGA Medical Holdings, Inc. [NASDAQ: AGAM] from August 2005 to November 2010, CNS Response, Inc. [OTCBB: CNSO.OB] from August 2009 to March 2010, and Tyme Technologies, Inc. [OTCMKTS: TYMI] from May 2016 to February 2017. We believe Secretary Thompson's experience in public service, particularly his services and knowledge related to the health care industry as a whole, makes him well suited to serve on our Board of Directors. Secretary Thompson received both his B.S. and J.D. from the University of Wisconsin-Madison.

Robert G. Finizio has served as Chief Executive Officer and a director of our company since October 2011. As co-founder of VitaMedMD, LLC, or VitaMed, our wholly owned subsidiary, Mr. Finizio served as its Chief Executive Officer and a director from April 2008 to October 2011. Mr. Finizio has 16 years of successful early stage company development experience in the health care industry. Mr. Finizio co-founded and served from August 2001 to February 2008 as President of Care Fusion, LLC and then as Chief Executive Officer of CareFusion, Inc., a clinical technology vendor, which was acquired by Cardinal Health, Inc. Mr. Finizio's early business experience was with Omnicell, Inc. (formerly known as Omnicell Technologies, Inc.), a provider of pharmaceutical supply chain management systems and services, and Endoscopy Specialists, Inc. in the health care IT and surgical space. We believe Mr. Finizio's intimate knowledge and experience with all aspects of the business, operations, opportunities, and challenges of our company and experience with early stage company development in the health care industry provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. Finizio earned a B.A. from the University of Miami.

John C.K. Milligan, IV has served as President, Secretary, and a director of our company since October 2011. From December 2008 to October 2011, Mr. Milligan served as President and director of VitaMed. Prior to VitaMed, Mr.

Milligan co-founded CareFusion, LLC, serving as President and General Manager from August 2001 to February 2008, and then as President and Chief Operating Officer of CareFusion, Inc. From 1997 to 2001, Mr. Milligan was Vice President, Sales and Operations for Omnicell, Inc. Prior to Omnicell, Mr. Milligan also held executive management positions at Serving Software Inc. and HBO & Co., a health care information systems company, both of which were subsequently acquired by McKesson Corporation. We believe Mr. Milligan's significant experience in creating, developing and guiding growth-oriented health care companies and knowledge of our business provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. Milligan is a graduate of the U.S. Naval Academy.

Dr. Brian Bernick has served as a director of our company since October 2011. Dr. Bernick also has served as the Chief Clinical Officer of our company since November 2013, and as the Chief Medical Officer of our company from February 2012 until November 2013. As co-founder of VitaMed, Dr. Bernick served as a director of VitaMed from April 2008 to October 2011. Dr. Bernick is a board- certified obstetrician/gynecologist with over 20 years of clinical medical experience. Dr. Bernick was the Department Chair of Obstetrics and Gynecology at Boca Raton Regional Hospital and served on that hospital's Medical Executive Board as well as the Board of Directors of the Palm Beach Medical Society and VitalMD Group Holding, LLC, one of the largest physician-owned and -managed obstetricians/gynecologists groups in Florida. Dr. Bernick has served on the American College of Obstetricians and Gynecologists' (ACOG) national committee on Professional Liability. Dr. Bernick is the recipient of several national and regional awards, including recognition by his peers as one of the top doctor's in his specialty by Castle Connolly as well as the recipient of the American Medical Association Foundation's Leadership Award. Dr. Bernick has numerous publications in peer-reviewed journals and has presented original research at numerous medical conferences. Dr. Bernick is an affiliate associate professor of obstetrics and gynecology at Florida Atlantic University College of Medicine. Dr. Bernick holds a B.A. in Economics from Northwestern University, received his Doctorate in Medicine from the Chicago Medical School, and completed his residency at the University of Pennsylvania.

Dr. Jane F. Barlow has served as a director of our company since March 2018. Dr. Barlow is currently the Chief Executive Officer of Jane Barlow & Associates, LLC, a consulting firm focused on pharmaceuticals, diagnostics, devices and health services. She is also the Executive Vice President and Chief Clinical Officer of Real Endpoints, a data, analytics, and advisory firm, and is a Senior Advisor to the MIT Center for Biomedical Innovation Project on Financing of Curative Therapies in the U.S. Before starting her own firm, Dr. Barlow served as Associate Chief Medical Officer for CVS Health from 2013 to 2016 and served as Vice President, Clinical Innovation at Medco Health Solutions, Inc. from 2011 to 2012, Vice President, Medical Strategy & Precision Health Solutions from 2009 to 2011 and Vice President, Medical Strategy & Clinical Quality from 2007 to 2009. From 2000 to 2007, Dr. Barlow was a senior health management leader at IBM. Dr. Barlow has previously served on the board of directors for a number of organizations, including SilverScript Insurance Company, Pennsylvania Life Insurance Company, and Accendo Insurance Company. We believe Dr. Barlow's healthcare industry knowledge and executive experience provide the requisite qualifications, skills, perspectives, and experience that make her well qualified to serve on our Board of Directors. Dr. Barlow attended medical school at Creighton University and completed her residency training in occupational medicine at Johns Hopkins University. She holds masters' degrees in business administration and public health and is a Certified Physician Executive with a certificate in Health Information Technology from the American Association of Physician Leaders. Dr. Barlow is board-certified in occupational medicine and is a fellow of both the American College of Occupational and Environmental Medicine and the American College of Preventive Medicine.

J. Martin Carroll has served as a director of our company since March 2015. Mr. Carroll previously served as President and Chief Executive Officer of Boehringer Ingelheim Corp. (U.S.) from 2003 until 2011. He also served as global head of strategy and development for Boehringer Ingelheim (Germany) from 2009 through 2012 and served as Chairman of the Board for a number of Boehringer Ingelheim companies. Previously, Mr. Carroll held positions of increasing responsibility with Merck & Co. Inc. from 1976 to 2001, including manufacturing, international (Japan) and marketing and sales. He left Merck serving as its Executive Vice President for Customer Marketing and Sales of the U.S. Human Health Division. From 1972 to 1976, Mr. Carroll served in the United States Air Force. Mr. Carroll has previously served on the board of directors for a number of organizations, including Accredo Health Group Inc., Vivus Inc. [NASDAQ: VVUS], Durata Therapeutics Inc. [NASDAQ: DRTX], and Gwynedd Mercy College, as well as PhRMA. He currently serves as a director of Mallinckrodt PLC [NYSE: MNK] and Catalent, Inc. [NYSE: CTLT] and previously served as a director of and Inotek Pharmaceuticals Corporation [NASDAQ: ITEK] from 2016 until its merger with Rocket Pharmaceuticals, Ltd. in 2018. We believe Mr. Carroll's extensive experience as a pharmaceutical industry executive and his experience as a director of other publicly traded pharmaceutical companies provides the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. Carroll received a B.A. in accounting and economics from the College of Holy Cross and a M.B.A. from Babson College.

Cooper C. Collins has served as a director of our company since February 2012. Mr. Collins has served as Chief Executive Officer of Fortis BioPharma since June 2015. Mr. Collins served as Chief Strategy Officer of Pernix Therapeutics Holdings, Inc. [NASDAQ: PTX], or Pernix, from May 2013 until April 2014, as its President and Chief Executive Officer from March 2010 until May 2013, and as a director from March 2010 until February 2014. Pernix is a specialty pharmaceutical company focused on the sales, marketing, and development of branded and generic pharmaceutical products primarily for the pediatric market. Mr. Collins joined Pernix Therapeutics, Inc., a predecessor of Pernix, in 2002, where he was appointed as a director in January 2007, its President in December 2007, and its

Chief Executive Officer in June 2008, serving in those three capacities until March 2010. From December 2005 to December 2007, Mr. Collins served as Vice President of Business and Product Development of Pernix Therapeutics, Inc. and as its Territory Manager from December 2003 to December 2005. Mr. Collins was employed for three years by the National Football League franchise, the New Orleans Saints, in its media relations department. We believe Mr. Collins' specialty pharmaceutical company knowledge and executive experience provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. While on a football scholarship, Mr. Collins received a B.A. from Nicholls State University, where he later received an M.B.A.

Robert V. LaPenta, Jr. has served as a director of our company since February 2012. Since August 2011, Mr. LaPenta, Jr. has been a partner of Aston Capital, LLC, a private equity investment firm with a current focus on investments in the aerospace, defense, and intelligence markets. From April 2007 through July 2011, Mr. LaPenta, Jr. served as Vice President of Mergers and Acquisitions and Corporate Strategy for L-1 Identity Solutions, Inc., or L-1, a provider of technology, products, systems and solutions, and services to the U.S Government and assisted L-1 management with sourcing acquisition targets, due diligence, structuring, valuation, execution, and related financings. Prior to L-1, Mr. LaPenta, Jr. spent 13 years as an institutional equity trader focused on the health care sector trading for both customer and proprietary accounts and most recently served as a Managing Director, Co-Head of Equity Trading at Banc of America Securities LLC, where he managed capital commitment, proprietary trading, and risk management within cash trading. Previously, as a Senior Associate at Coopers & Lybrand LLP, Mr. LaPenta, Jr. participated and managed engagements in auditing, consulting, due diligence, and SEC reporting. Mr. LaPenta, Jr. also serves as a member of the board of directors of Revolution Lighting Technologies, Inc. [NASDAQ: RFLT], a company engaged in the design, manufacture, marketing and installation of LED lighting systems. We believe Mr. LaPenta, Jr.'s diverse investing background, capital markets knowledge, and his relationships within the financial community provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. LaPenta, Jr. graduated in 1991 from Boston College with a B.A. in Accounting and Finance and is a registered CPA (inactive) in the State of New York.

Jules A. Musing has served as a director of our company since May 2013. In the course of Mr. Musing's 36-year career in the pharmaceutical and biotechnology industry, specifically at Johnson & Johnson and its affiliates, he has been responsible for the worldwide licensing and acquisition of pharmaceutical and biotechnology products and technologies and the establishment of strategic alliances. This included the establishment of new scientific, technology and product collaborations in various therapeutic areas, the negotiation of licensing and alliance agreements with biotechnology and pharmaceutical companies worldwide, and the partnering, spin-out and out-licensing of company pharmaceutical and biotechnology assets. Prior to moving into those roles, Mr. Musing was Vice President Marketing International for the Janssen Pharmaceutical Group of Companies Worldwide from March 1982 to December 1984; President of Pitman-Moore, Inc., a U.S.-based Johnson & Johnson company from January 1985 to June 1987; Managing Director of Janssen Pharmaceutical in Portugal from July 1987 to March 1990; President of Sero, Inc. in the United States and Executive Vice President with responsibilities for North and South America from April 1990 to January 1993; Member of the board of directors of Ortho Biotech, Inc. from January 1993 to October 1999; and Managing Director of Ortho Biotech in France (a Johnson & Johnson affiliate) from October 1999 to January 2003. From January 2003 to his retirement in September 2010, Mr. Musing served as Vice President, Licensing and Acquisitions for the Pharmaceutical Group at Johnson & Johnson, where he was responsible for the worldwide licensing and acquisition of pharmaceutical and biotechnology products in all therapeutic areas. He has served as a director of Delphi Digital, Inc. since March 2012 and Chairman of the Scientific Board of Advisors for Noble Capital Financial Markets since February 2012. Mr. Musing also served as a director of iBio, Inc. [NYSE MKT: IBIO] from July 2011 to December 2012. We believe Mr. Musing's more than 36-years' experience in the pharmaceutical and biotechnology industry, including the establishment of numerous strategic and global partnerships and various new product collaborations provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. Musing received his Master's Degree in Biological Sciences from the University of Brussels (Belgium) and his Graduate Degree in Economics and Financial Sciences from the University of Antwerp (Belgium).

Angus C. Russell has served as a director of our company since March 2015. Mr. Russell previously served as Chief Executive Officer of Shire PLC, a biopharmaceutical company, from June 2008 until April 2013. Mr. Russell served as the Chief Financial Officer of Shire from 1999 to 2008 and also served as Executive Vice President of global finance. Prior to joining Shire, Russell served at ICI, Zeneca and AstraZeneca PLC for 19 years, most recently in the role of Vice President, Corporate Finance at AstraZeneca. He is a chartered accountant, having qualified with what is now PriceWaterhouseCoopers LLP. Mr. Russell also serves as a director of Mallinckrodt PLC [NYSE: MNK], and will serve as the chairman of the board of Mallinckrodt beginning in May 2018, and BioTime Inc. [NYSE MKT: BTX] and as the chairman of the board of Revance Therapeutics Inc. [NASDAQ: RVNC]. Mr. Russell previously served as a director of Shire PLC [NASDAQ: SHPG], Questcor Pharmaceuticals Inc. [NASDAQ: QCOR] and InterMune Inc. [NASDAQ: ITMN]. We believe Mr. Russell's extensive experience as a pharmaceutical industry executive and his experience as a director of other publicly traded pharmaceutical companies provides the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. Mr. Russell holds an honorary Doctor of Business Administration from Coventry University, U.K.

Nicholas Segal has served as a director of our company since February 2012. Since June 2007, Mr. Segal has served as a director of Seavest Capital Partners, or Seavest, a private investment company that invests in early and growth-stage companies, primarily in the education, health care, consumer technology, and media sectors. Representing investments of Seavest, Mr. Segal previously served as a director of VitaMed from May 2010 until October 2011. Mr. Segal also serves on the board of directors of Tout Industries, Inc., a private company focused on real-time mobile video publishing, and on the board of directors of GlobalEcho Foundation, a non-profit organization focused on environmental education. Mr. Segal founded and currently serves as Chief Executive Officer of Polar Generation, LLC, an early-stage consumer products company. Prior to joining Seavest, Mr. Segal served as a senior analyst in the Finance and Business Development group at ESPN from September 2004 to April 2007. We believe Mr. Segal's broad base of knowledge in technologies and products directed to the consumer market provide the requisite qualifications, skills, perspectives, and experience that make him well qualified to serve on our Board of Directors. He graduated with a B.A. from Duke University in 2004.

Executive Officers

The following table sets forth certain information regarding our executive officers as of December 31, 2017:

Name	Age	Position
Robert G. Finizio	48	Chief Executive Officer and Director
John C.K. Milligan, IV	55	President, Secretary and Director
Daniel A. Cartwright	60	Chief Financial Officer and Treasurer
Mitchell L. Krassan	52	Executive Vice President and Chief Strategy Officer
Michael Donegan	50	Vice President – Finance

Listed below are biographical descriptions of our executive officers. For Mr. Finizio's and Mr. Milligan's information, see the description under "Election of Directors" above.

Daniel A. Cartwright has served as Chief Financial Officer and Treasurer of our company since October 2011 and served as Vice President of Finance from October 2011 to April 2013. From July 2011 to October 2011, Mr. Cartwright served as Chief Financial Officer of VitaMed. From May 1996 to July 2011, Mr. Cartwright served as Chief Financial Officer and Executive Vice President of Circle F Ventures, LLC, an Arizona venture capital firm that made investments in more than 50 companies. During the same period, Mr. Cartwright served as Chief Financial Officer and Treasurer of Fleming Securities, formerly a registered broker dealer involved with raising capital for public and private companies. From 1993 to 1996, Mr. Cartwright served as Chief Financial Officer of American Wireless Systems, Inc., a provider of entertainment video services. Mr. Cartwright currently serves as a member of the board of directors of Primetrica, Inc., a private information research company for the telecommunications industry, and formerly served on the board of directors of Antenna Technologies Company, Inc. and WEB Corp. Mr. Cartwright earned his B.S. in Accounting from Arizona State University.

Mitchell L. Krassan has served as Executive Vice President and Chief Strategy Officer of our company since October 2011. From April 2010 to October 2011, Mr. Krassan served as Chief Strategy and Performance Officer of VitaMed. Mr. Krassan has been a partner with EquiMark Limited, a private investment partnership, since October 1997. From November 1994 to July 1997, Mr. Krassan served as Chief Financial Officer and Chief Operating Officer of The Reich Group/Telespectrum Worldwide, a fully integrated direct marketing firm that provided clients expertise in market research and analysis, strategic planning, marketing, creative, and production services, telemarketing and database development. Mr. Krassan earned a B.S. in Accounting from the University of Maryland, received his certification as a CPA in the state of Maryland, and earned his M.B.A. in Management from New York University.

Michael Donegan has served as Vice President – Finance of our company since April 2013. Mr. Donegan has a 27-year background in accounting and finance. From August 2012 to April 2013, Mr. Donegan served as an independent consultant exclusively for our company, where he conceptualized, designed and executed our Sarbanes-Oxley 404 compliance program. From August 2007 to August 2012, Mr. Donegan served as an independent consultant designing and implementing Sarbanes-Oxley 404 compliance programs for various non-accelerated filers and executed on pre-designed Sarbanes-Oxley 404 compliance programs for certain large accelerated filers. From January 2005 to August 2007, Mr. Donegan served as an independent consultant exclusively for Tyco International, where he enhanced and executed the Sarbanes-Oxley 404 compliance model with their corporate headquarters group. From November 2001 to December 2004, Mr. Donegan was Manager of Financial Systems at Tyco International at its global headquarters. From 1994 to 2001, Mr. Donegan held various positions in the global consolidation/SEC reporting group at Sensormatic Electronics Corporation culminating with the acquisition of Sensormatic Electronics Corporation by Tyco International in the fall of 2001 when he was the Manager of Financial Systems. Mr. Donegan began his career at Ernst & Young, LLP where he worked in both the audit and tax departments. Mr. Donegan earned his Bachelor of Science in Accounting and his Master of Accounting from the University of Florida.

Non-Executive Officers

Listed below are biographical descriptions of our non-executive officers. For Dr. Bernick's information, see the description under "Election of Directors" above.

Julia Amadio has served as Chief Product Officer of our company since January 16, 2012. Ms. Amadio has more than 25 years of experience in general management with leading pharmaceutical marketing and product development organizations. Ms. Amadio currently serves as a member of the board of directors of Healthy Women, a leading independent, nonprofit health information source for women. From June 2011 to January 2012, Ms. Amadio was President of JMA Consulting, LLC, her own consulting company that she formed in 2008. From June 2009 to May 2011, she served as Global Vice President of Marketing for MeadWestvaco Healthcare Division. Previously, Ms. Amadio was President of a start-up, Patients' & Consumers' Pharma, in 2007. She was Vice President of Marketing & Marketing Services with Daiichi Pharmaceutical from 2004 to 2006; Vice President of Aventis Pharmaceutical from 1997 to 2004; Senior Director, New Products Women's Health at Wyeth from 1991 to 1997; and started her career at J&J's McNeil Pharmaceutical. Ms. Amadio is an active member and leader in the Healthcare Businesswomen's Association. She was an adjunct lecturer at St. Joseph's University in the pharmaceutical MBA program and authored a chapter on Marketing, Market Research and insights in the book *Pharmaceutical Development for Woman* (Wiley & Sons). Ms. Amadio earned a B.S. in Accounting from St. Joseph's University and a Masters in Business Administration from Drexel University.

Dr. Sebastian Mirkin has served as the Chief Medical Officer of our company since November 2013. Dr. Mirkin has more than 15 years of experience and leadership in clinical development and medical affairs in women's health in global pharmaceutical companies. From October 2009 to November 2013, Dr. Sebastian was Clinical Lead and Global Clinical Lead of Women's Health, Clinical Research at Pfizer. From October 2005 to October 2009, he was Director and Senior Director, Clinical Research, Women's Health at Wyeth, and from October 2004 to October 2005 he was Global Lead Medical Services, Women's Health at Organon. Dr. Mirkin oversaw the development and successful marketing authorization of several novel medicines, including Duavee®, Conbriza®, Lybrel®, and Premarin Vaginal Cream® in the United States, Europe, and Japan. Dr. Mirkin holds a Doctor in Medicine degree from National University, Argentina. Trained in Obstetrics/Gynecology, Dr. Mirkin completed his fellowship in Reproductive Medicine at The Jones Institute of Reproductive Medicine in Norfolk, Virginia.

Dawn Halkuff has served as the Chief Commercial Officer of our company since October 2016. Prior to that, Ms. Halkuff held numerous senior level positions over 20 years of commercial and marketing experience. Ms. Halkuff was previously at Pfizer, Inc. (NYSE: PFE), where she held various leadership roles in women's health since 2010. Most recently, Ms. Halkuff was Senior Vice President of the Pfizer Consumer Healthcare Wellness Organization and a member of the Consumer Global Leadership Team. Prior to that, Ms. Halkuff was the commercial lead for sales and marketing of the Pfizer Women's Health Division, focusing on the company's reinvestment in hormone therapy treatment, including Premarin Vaginal Cream® and oral hot flash treatments. From 2005 to 2010, Ms. Halkuff was Head of Global Innovation at Weight Watchers International (NYSE: WTW), where she created new weight-loss

products, services, and solutions for women worldwide. Ms. Halkuff holds a BA in Psychology from University of Connecticut and an MBA from Pennsylvania State University.

Jason Spitz has served as Vice President, Commercial Development and Operations since March 2018 and Vice President, Marketing and Corporate Communications of our company since December 2011. Mr. Spitz has 29 years of marketing, advertising, and general management experience in pharmaceutical and biopharmaceutical markets. From June 2008 to December 2010, Mr. Spitz served as Managing Director, Oncology & Hematology at Beacon Healthcare Communications, a company specializing in pharmaceutical and health care advertising. From September 2004 to June 2008, he served as General Manager, Canada and Commercial Strategy and Development at MGI Pharma (later acquired by Eisai, Inc.), a company specializing in oncology and cancer supportive care products. From February 2004 to September 2004, he served as Vice President of Marketing and Sales at Aesgen, Inc., a company specializing in cancer products and drug delivery systems that was acquired by MGI Pharma. Mr. Spitz began his career at Schering Plough as a sales representative, rising within the organization over 15 years to lead a global pharmaceutical franchise. Mr. Spitz earned his Bachelor of Business Administration in Marketing from The University of Texas at Austin and his Master of Business Administration in Pharmaceutical Studies from Fairleigh Dickinson University.

Christian Bloomgren has served as Vice President - Sales of our company since June 2011. Mr. Bloomgren has more than 14 years of leadership experience in the pharmaceutical, bio-technology, and diagnostic industry. From 2005 to 2011, Mr. Bloomgren served as Region Manager at ViaCell, Inc., a biotechnology company dedicated to enabling the widespread application of human cells as medicine, later acquired by PerkinElmer, Inc. While at ViaCell, Mr. Bloomgren built a successful national sales channel and helped lead the Specialty Diagnostics business. From 2000 to 2002, Mr. Bloomgren served as a specialty Account Manager at Eli Lilly & Co. and from 2002 to 2005 as District Manager at KV Pharmaceutical. Mr. Bloomgren served as an Officer in the United States Air Force and holds a Bachelor of Science degree from California State University and a Master of Science degree from Troy State University.

Marlan Walker has served as our General Counsel and Chief Development Officer since April 2018 and General Counsel since March 2016. Mr. Walker previously served as our Corporate and Intellectual Property Counsel from June 2013 until he became our General Counsel. Mr. Walker's experience is focused in the life science industries, including long-term portfolio strategy and management, patent preparation and prosecution, contract negotiation and drafting, life-cycle management, and Hatch-Waxman. After law school, he took a position at Greenberg Traurig, LLP in August 2005. In March of 2009, he moved to Luce Forward Hamilton & Scripps. Mr. Walker accepted an in-house position as Intellectual Property Counsel for Medicis Pharmaceutical Corp. in June 2011, which was acquired by Valeant Pharmaceutical International, Inc. in December 2012. In February 2013, Mr. Walker accepted a position at Kilpatrick Townsend & Stockton, but chose to move in-house again in June 2013, when he accepted a position at our company. Mr. Walker graduated from Arizona State University's Sandra Day O'Connor College of Law with his J.D. in 2004, and an LL.M. in Intellectual Property Law at The George Washington University Law School in 2005. He holds a Master's Degree in Molecular Biology and a Bachelor of Science degree, both earned from Brigham Young University.

C. Christine Miller, Pharm. D has served as our Chief Regulatory and Quality Officer since October 2017. Ms. Miller previously served as our Chief Compliance and Regulatory Officer since November 2016 and Vice President, Regulatory Affairs, Quality Assurance and Technical Operations from May 2014. Dr. Miller has over thirty years of experience in pharmaceutical regulatory affairs, quality assurance, and drug development. Dr. Miller has submitted and obtained approval for many 505(b)(1) and 505(b)(2) new drug applications, including applications for new chemical entities, fast track and orphan designated products. She also has experience with generic drugs, OTC drugs, dietary supplements, and international regulatory submissions. From April 2010 to May 2014, Dr. Miller was NDA Regulatory Practice Lead at Lachman Consultants and President of PharmaReg Solutions where she served as a consultant in all aspects of pharmaceutical regulatory affairs. She was Senior Vice President of Drug Development at Sirion Therapeutics and COO of Rx Development Resources from 2006 to 2010; Vice President of Regulatory Affairs and Quality Assurance at Santarus from 2001 to 2006; Global Vice President of Drug Regulatory Affairs at Bausch & Lomb from 1994 to 2001; Associate Director of Regulatory Affairs at Bayer Corporation from 1991 to 1994; Senior Regulatory Affairs Associate at Mallinckrodt Medical, Inc from 1987 to 1991 and at KV Pharmaceutical Company from 1986 to 1987; Regulatory Analyst and Senior Regulatory Analyst at Sandoz (now Novartis) Consumer Healthcare Corporation from 1983 to 1986 and started her career as a clinical pharmacist. Dr. Miller holds a Doctor of Pharmacy degree from the University of Nebraska.

Adam Miller has served as our Chief Information Officer since March 2018. Mr. Miller has over 15 years of experience in the information technology field with 12 years specifically in healthcare. Mr. Miller previously served as our Vice President of Information Technology since May of 2011. Since that time, Mr. Miller has been responsible for all aspects of our information technology, including infrastructure, operations, security, privacy, compliance, support, system administration, data architecture, and application development. From 2006 to 2011, Mr. Miller was a Consultant for Quilogy, a healthcare-focused Microsoft Gold Partner consulting firm. Before that, Mr. Miller held helpdesk, web developer, and information security roles at Healthcare Recoveries, Louisville Gas & Electric, and Brown-Forman from 2002 to 2006. Mr. Miller has a BSBA in Computer Information Systems with a Concentration in Information Security from the University of Louisville's College of Business.

CORPORATE GOVERNANCE

Director Independence

Since October 9, 2017, our common stock has been listed on the Nasdaq Global Select Market of the Nasdaq Stock Market LLC, or Nasdaq, under the symbol “TXMD.” From April 23, 2013 to October 6, 2017, our common stock was listed on the NYSE American under the symbol “TXMD.” Under the rules of Nasdaq, independent directors must comprise a majority of a listed company’s board of directors.

Our Board of Directors has affirmatively determined, after considering all the relevant facts and circumstances, that each of Dr. Barlow and Messrs. Thompson, Carroll, Collins, LaPenta, Jr., Musing, Russell and Segal, is an independent director, as “independence” is defined under the applicable rules and regulations of the SEC and the listing standards of Nasdaq, because they do not have a relationship with us (either directly or as a partner, stockholder, or officer of an organization that has a relationship with us) that would interfere with their exercise of independent judgment in carrying out their responsibilities as directors. Accordingly, a majority of our directors are independent, as required under the applicable Nasdaq rules. Messrs. Finizio and Milligan and Dr. Bernick are not considered independent directors because of their executive positions or other relationships with our company. There are no family relationships among any of our directors or officers.

Committee Charters, Corporate Governance, and Code of Ethics

Our Board of Directors has adopted charters for the Audit, Compensation, and Nominating and Corporate Governance Committees describing the authority and responsibilities delegated to each committee by our Board of Directors. Our Board of Directors has also adopted Corporate Governance Guidelines, a Code of Conduct and Ethics, and a Code of Ethics for the Chief Executive Officer and Senior Financial Officers. We post on our website, at www.therapeuticsmd.com, the charters of our Audit, Compensation, and Nominating and Corporate Governance Committees; our Corporate Governance Guidelines, Code of Conduct and Ethics, and Code of Ethics for the Chief Executive Officer and Senior Financial Officers, and any amendments or waivers thereto; and any other corporate governance materials contemplated by the SEC or Nasdaq. These documents are also available in print to any stockholder requesting a copy in writing from our corporate secretary at our executive offices set forth in this proxy statement.

Executive Sessions

We regularly schedule executive sessions in which non-employee directors will meet without the presence or participation of management, with at least one of such sessions including only independent directors. Mr. Thompson, as the Chairman of our Board of Directors, chairs the executive sessions.

Board Committees

Our Board of Directors has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, each consisting entirely of independent directors.

Audit Committee

The purpose of the Audit Committee is to oversee our financial and reporting processes and the audits of our financial statements and to provide assistance to our Board of Directors with respect to its oversight of the integrity of our financial statements, our company's compliance with legal and regulatory matters, the independent registered public accountant's qualifications and independence, and the performance of our independent registered public accountant. The primary responsibilities of the Audit Committee are set forth in its charter and include various matters with respect to the oversight of our accounting and financial reporting process and audits of our financial statements on behalf of our Board of Directors. The Audit Committee also selects the independent registered public accountant to conduct the annual audit of our financial statements; reviews the proposed scope of such audit; reviews accounting and financial controls with the independent registered public accountant and our financial accounting staff; and reviews and approves any transactions between us and our directors, officers, and their affiliates.

The Audit Committee currently consists of Messrs. LaPenta, Jr., Segal, Collins, and Russell, each an independent director of our company under Nasdaq rules as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Mr. LaPenta, Jr. serves as the Chairman of the Audit Committee. Our Board of Directors has determined that Mr. LaPenta, Jr. and Mr. Russell (each of whose background is detailed above) qualifies as an “audit committee financial expert” in accordance with applicable rules and regulations of the SEC.

Compensation Committee

The purpose of the Compensation Committee includes determining, or recommending to our Board of Directors for determination, the compensation of our Chief Executive Officer and other executive officers and discharging the responsibilities of our Board of Directors relating to our compensation programs. Pursuant to its charter, the Compensation Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Compensation Committee. The Compensation Committee currently consists of Messrs. Collins, Thompson, and Carroll, with Mr. Collins serving as Chairman.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee includes the selection or recommendation to our Board of Directors of nominees to stand for election as directors at each election of directors, the oversight of the selection and composition of committees of our Board of Directors, the oversight of the evaluations of our Board of Directors and management, and the development and recommendation to our Board of Directors of a set of Corporate Governance Guidelines applicable to us.

Our Nominating and Corporate Governance Committee will consider persons recommended by stockholders for inclusion as nominees for election to our Board of Directors if the information required by the rules adopted by the SEC is submitted in writing in a timely manner addressed and delivered to our corporate secretary at the address of our executive offices set forth in this proxy statement. Our bylaws, as amended, require that, subject to certain exceptions, a stockholder provide information regarding a director nomination to us no earlier than the 120th day and no later than the 90th day prior to the first anniversary of the preceding year’s annual meeting of stockholders and update and supplement such information.

The Nominating and Corporate Governance Committee identifies and evaluates nominees for our Board of Directors, including nominees recommended by stockholders, based on numerous factors it considers appropriate, some of which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity, and the extent to which the nominee would fill a present need on our Board of Directors.

All nominees for election to our Board of Directors at our Annual Meeting of Stockholders are current directors of our company.

The members of the Nominating and Corporate Governance Committee are Messrs. Thompson, LaPenta, Jr., and Carroll. Mr. Thompson serves as Chairman.

Board's Role in Risk Oversight

Risk is inherent in every business. As is the case in virtually all businesses, we face a number of risks, including operational, economic, financial, legal, regulatory, and competitive risks. Our management is responsible for the day-to-day management of the risks we face. Our Board of Directors, as a whole and through its committees, has responsibility for the oversight of risk management.

Our Board of Directors' involvement in our business strategy and strategic plans plays a key role in its oversight of risk management, its assessment of management's risk appetite, and its determination of the appropriate level of enterprise risk. Our Board of Directors receives updates at least quarterly from senior management and periodically from outside advisors regarding the various risks we face, including operational, economic, financial, legal, regulatory, and competitive risks. Our Board of Directors also reviews the various risks we identify in our filings with the SEC as well as risks relating to various specific developments, such as debt and equity placements and product introductions.

The committees of our Board of Directors assist our Board of Directors in fulfilling its oversight role in certain areas of risks. Pursuant to its charter, the Audit Committee oversees the financial and reporting processes of our company and the audit of the financial statements of our company and provides assistance to our Board of Directors with respect to the oversight and integrity of the financial statements of our company, our company's compliance with legal and regulatory matters, the independent auditor's qualification and independence, and the performance of our independent auditor. The Compensation Committee considers the risks that our compensation policies and practices may have in attracting, retaining, and motivating valued employees and endeavors to assure that it is not reasonably likely that our compensation plans and policies would have a material adverse effect on our company. Our Nominating and Corporate Governance Committee oversees governance-related risks, such as director independence, conflicts of interests, and management succession planning.

Board Diversity

We seek diversity in experience, viewpoint, education, skill, and other individual qualities and attributes to be represented on our Board of Directors. We believe directors should have various qualifications, including individual character and integrity; business experience and leadership ability; strategic planning skills, ability, and experience; requisite knowledge of our industry and finance, accounting, and legal matters; communications and interpersonal skills; and the ability and willingness to devote time to our company. We also believe the skill sets, backgrounds, and qualifications of our directors, taken as a whole, should provide a significant mix of diversity in personal and professional experience, background, viewpoints, perspectives, knowledge, and abilities. Nominees are not to be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis prohibited by law. The assessment of directors is made in the context of the perceived needs of our Board of Directors from time to time.

All of our directors have held high-level positions in business or professional service firms and have experience in dealing with complex issues. We believe that all of our directors are individuals of high character and integrity, are able to work well with others, and have committed to devote sufficient time to the business and affairs of our company. In addition to these attributes, the description of each director's background sets forth above indicates the specific experience, qualifications, and skills necessary to conclude that each individual should continue to serve as a director of our company.

Board Leadership Structure

We believe that effective board leadership structure can depend on the experience, skills, and personal interaction between persons in leadership roles as well as the needs of our company at any point in time. We currently maintain separate roles between the Chief Executive Officer and Chairman of the Board of Directors in recognition of the differences between the two responsibilities. Our Chief Executive Officer is responsible for setting our strategic

direction and day-to-day leadership and performance of our company. The Chairman of the Board of Directors provides input to the Chief Executive Officer, sets the agenda for board meetings, and presides over meetings of the full Board of Directors as well as executive sessions of our Board of Directors.

Compensation Committee Interlocks and Insider Participation

During our fiscal year ended December 31, 2017, Messrs. Collins, Thompson, and Carroll served as members of the Compensation Committee.

None of Messrs. Collins, Thompson, or Carroll have been at any time one of our officers or employees or had any relationship with us that requires disclosure under Item 404 of Regulation S-K under the Exchange Act.

During the fiscal year ended December 31, 2017, none of our executive officers served on the compensation committee or board of directors of any entity whose executive officers serve as a member of our Board of Directors or Compensation Committee.

Compensation Recovery Policy

Currently, we have not implemented a policy regarding retroactive adjustments to any cash or stock-based incentive compensation paid to our executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement. We intend to adopt a general compensation recovery, or clawback, policy covering our annual and long-term incentive award plans and arrangements after the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act.

Board and Committee Meetings

Our Board of Directors held a total of five meetings during the fiscal year ended December 31, 2017. No director attended fewer than 75% of the aggregate of (i) the total number of meetings of our Board of Directors and (ii) the total number of meetings held by all committees of our Board of Directors on which such director was a member.

During the fiscal year ended December 31, 2017, the Audit Committee held four formal meetings; the Compensation Committee held three meetings; and the Nominating and Corporate Governance Committee held one meeting.

Annual Meeting Attendance

We encourage our directors to attend each annual meeting of stockholders. To that end, we have scheduled a meeting of our Board of Directors on the same day as our annual meeting of stockholders. All of our directors attended the annual meeting of stockholders last year.

Communications with Directors

Interested parties may communicate with our Board of Directors or specific members of our Board of Directors, including our independent directors and the members of our various board committees, by submitting a letter addressed to our Board of Directors of TherapeuticsMD, Inc. at the address set forth in this proxy statement c/o any specified individual director or directors. Any such letters are forwarded to the indicated directors.

COMPENSATION DISCUSSION AND ANALYSIS

Background

Our Board of Directors has appointed a Compensation Committee, consisting of independent members of our Board of Directors, to review and approve corporate goals and objectives relevant to the compensation of our Chief Executive Officer, or CEO, evaluate the performance of our CEO on achieving those goals and objectives, and determine or recommend to our Board of Directors the compensation of our CEO based in this evaluation. The Compensation Committee also recommends to our Board of Directors, or as directed by our Board of Directors, determines and approves, the compensation of our other executive officers. The Compensation Committee makes every effort to ensure our executive compensation program is consistent with our values and is aligned with our business strategy and corporate goals.

For 2017, our named executive officers, or NEOs, were:

Robert G. Finzio – Chief Executive Officer

John C.K. Milligan, IV – President and Secretary

Daniel A. Cartwright – Chief Financial Officer and Treasurer

Mitchell L. Krassan – Executive Vice President and Chief Strategy Officer

Michael Donegan – Vice President – Finance

Each of the NEOs' pay outcomes are discussed below in the context of our executive pay philosophy and the achievement of key goals and objectives.

Executive Pay Philosophy

We maintain a pay for performance philosophy driven by a pay mix emphasizing variable and performance-based pay tied to corporate performance results and our stock price. We believe this philosophy supports our company's business strategy of developing and commercializing innovative new products targeted exclusively for women to the benefit of our company's current stockholders and future customers.

The three core elements of our executive compensation program each serve a different purpose:

Core Element	Purpose
Salary	We set salaries at a level designed to attract and retain the key executives needed to drive our business forward.
Annual Incentive Compensation	Annual incentive compensation is designed to motivate our executives to achieve our annual drug development and commercialization goals and objectives.
Stock-Based Awards	Stock-based awards, which have taken the form of stock options, are designed to align our executive and stockholder interests by providing the opportunity for our executives to earn rewards based on the creation of stockholder value through increases in our share price as driven by the success of our business strategies over time.

We discuss below our performance outcomes and related compensation decisions for 2017.

Executive Summary

2017 Performance

During 2017, we achieved the following major goals and objectives related to our drug development efforts:

Re-filed a New Drug Application, or NDA, with the U.S. Food and Drug Administration, or the FDA, for TX-004HR, our applicator-free vaginal estradiol softgel drug candidate for the treatment of moderate to severe dyspareunia (vaginal pain during sexual intercourse), a symptom of vulvar and vaginal atrophy, or VVA, in post-menopausal women with vaginal linings that do not receive enough estrogen;

Filed an NDA for TX-001HR, our bio-identical hormone therapy combination of 17 β - estradiol and progesterone in a single, oral softgel drug candidate, for the treatment of moderate to severe vasomotor symptoms, or VMS, due to menopause in post-menopausal women with an intact uterus;

Prepared for the potential launch of our TX-001HR and TX-004HR drug candidates, if approved, through scale-up and manufacturing activities; and

Identified and explored business development opportunities for our drug candidates.

Based on these achievements in relation to our corporate goals set at the beginning of 2017, the Compensation Committee and our Board of Directors determined we achieved 95% of our drug development and pre-commercialization goals and objectives for 2017.

2017 Pay Decisions

No Salary Increases: Maintained NEO salaries at 2016 levels except for our Executive Vice President and Chief Strategy Officer's salary, which was below the market 25th percentile of our compensation peer group and was increased by 20% to market competitive levels.

Target Annual Incentives: Paid annual incentives at near-target level to our NEOs for their achievement of our target 2017 drug development and commercialization goals and objectives noted above.

Transition in Approach to Equity Awards: Transitioned to making equity awards on an annual basis from our historical practice of making awards primarily on a multi-year basis

The March 2017 stock option grants to our NEOs reflected this transition (i.e., award levels were sized to be an annual grant).

The Compensation Committee made this transition because of their belief that (i) prevalent competitive practice among similarly situated companies is to make equity awards on an annual basis and (ii) the change will aid our ongoing recruitment efforts and will yield more predictable pay outcomes for our NEOs as we continue to evolve as a company.

The Compensation Committee will continue to monitor our executive compensation program and consider further changes as our business continues to evolve in the future, including the use of more financial metrics in our annual incentive plan as we move toward commercialization of our drug candidates, if approved, a practice that we anticipate beginning in 2019.

Results of Say-on-Pay Vote

Since we conducted our first stockholder advisory vote on the compensation of our NEOs (commonly referred to as a “say-on-pay” vote) in August 2013, we have had overwhelming support from our stockholders, achieving more than 95% support in each of the five annual votes from 2013 through 2017.

Consequently, the Compensation Committee and our Board of Directors did not make any significant changes to our executive compensation program, or their decision-making process, in recent years. However, as discussed above, the Compensation Committee has begun to take steps to refocus our executive compensation program as we transition from a drug development company to a company undertaking the commercialization of its drug candidates, if approved.

Role of the Compensation Committee and Chief Executive Officer

The Compensation Committee determines, or recommends to our Board of Directors for determination, the compensation of our CEO and our other executive officers. At least annually, our Compensation Committee evaluates the performance of our CEO and determines, or recommends to our Board of Directors for determination, the compensation for our CEO in light of the accomplishment of the goals and objectives of our executive compensation program for the year. Our Compensation Committee and our Board of Directors, together with our CEO, annually assess the performance of our other executive officers. Based on the determinations of our Compensation Committee and our Board of Directors after receiving recommendations from our CEO, when applicable, our Compensation Committee and our Board of Directors determine the compensation for our other executive officers. Our Compensation Committee may also receive input from independent compensation consultants that it may engage from time to time.

At the request of our Compensation Committee, our CEO generally attends a portion of some of our Compensation Committee meetings. This enables our Compensation Committee to review the corporate and individual goals the CEO regards as important to achieve our overall success. Our Compensation Committee also requests the CEO to assess the performance against the goals and objectives for our other executive officers. The Compensation Committee makes all decisions regarding individual and corporate goals and objectives. Our CEO does not attend any portion of meetings at which his own compensation is determined.

Compensation Surveys and Compensation Consultants

The Compensation Committee periodically reviews compensation data representative of companies we believe are similar to our company to determine appropriate compensation levels to enable us to attract executives from other companies and to retain and motivate our executives. The Compensation Committee uses peer group information and broader life sciences industry survey data as frames of reference but does not specifically benchmark or target our compensation levels against any desired targeted level of competitiveness.

From time to time, we retain the services of independent compensation consultants to review a wide variety of factors relevant to executive compensation, trends in executive compensation, and the identification of relevant peer companies. When engaged by our Compensation Committee, our compensation consultants report directly to the Compensation Committee and the Compensation Committee makes all determinations regarding the engagement, fees, and services of our compensation consultants.

During 2016 and 2017, the Compensation Committee retained Pay Governance LLC, or Pay Governance, to provide executive compensation services to the Compensation Committee, primarily for compensation decisions related to 2016 and 2017. Pay Governance analyzed and proposed changes to our company's peer group, provided information with respect to market competitive pay levels for executives and outside directors and assisted the Compensation Committee with the refocus of our executive compensation program discussed above in the Executive Summary.

In accordance with the requirements of applicable SEC rules and the listing standards of Nasdaq, the Compensation Committee has reviewed the independence of Pay Governance and has determined that Pay Governance meets the independence criteria established under such rules and listing standards.

Compensation Elements

Salary

We set salaries at a level sufficient to attract and retain our NEOs in the context of our executives' opportunity to receive significant incentive compensation if they can achieve pre-determined performance goals and objectives. Salaries for NEOs are established based on an executive's position, responsibilities, skills, and experience. In determining salaries, we account for individual performance and contributions, future potential, competitive salary levels for comparable positions at other companies, salary levels relative to other positions within our company, and corporate needs. The evaluation of the Compensation Committee and our Board of Directors of the foregoing factors is subjective, and the Compensation Committee and our Board of Directors do not assign a particular weight to any factor.

Annual Incentive Compensation

Annual incentive compensation reflects our pay-for-performance philosophy. We generally adhere to the following process in determining annual incentive compensation:

Our Board of Directors approves our annual operating plan, which forms the basis for the corporate performance measures and individual performance goals and objectives for our annual performance-based incentive compensation.

The Compensation Committee reviews and sets the framework for the annual performance-based incentive compensation for the year, including:

- o Confirming the plan participants;
- o Establishing a target annual incentive opportunity for each participating executive officer; and
- o Reviewing the corporate performance measures and individual performance objectives for the fiscal year.

We may establish objective performance criteria when setting performance goals for the incentive compensation program for a particular year or may use subjective factors. These performance criteria may include a wide range of factors, including:

Filing Initial New Drug Applications with the FDA;

Beginning clinical trials;

Completing clinical trials;

Filing NDAs with the FDA;

Receiving new drug approvals from the FDA;

Reaching sales goals; and

Increasing cash flows from operations.

The performance criteria may vary on a year-to-year and executive-by-executive basis depending on the goals then deemed important for our company and the executive officer and may be established for all or a portion of a year or for multiple years. We attempt to set each of our performance goals at a level that can be realistically achieved but is challenging and consistent with achieving the desired corporate goal. In establishing performance goals, the Compensation Committee and our Board of Directors also may take into consideration prevailing as well as expected future economic conditions affecting our company's business and industry.

Stock-Based Awards

We strongly believe in using our common stock to tie executive rewards directly to our long-term success and increases in stockholder value. Grants of stock-based awards to our executive officers enable those executives to benefit from a significant position in our common stock. We have no ongoing policy for allocating among different types of stock-based awards and maintain the flexibility to grant each type of stock-based award. Among other factors, the amount and type of stock-based awards granted to our executives' account for awards previously granted and the equity held by each individual NEO. While we have the flexibility to grant each type of stock award, we have traditionally used stock options due to our current stage of development, future expected growth profile and prevalence among industry competitors, among other factors.

Stock based compensation typically vests over multiple years to encourage executive retention and emphasize long-term performance and may also include specific performance metrics to be earned. Our Board of Directors grants stock-based awards at regularly scheduled Board of Directors meetings after reviewing allocations recommended by the Compensation Committee following advice from the Compensation Committee's compensation consultants, an analysis of peer companies, specific goals to be achieved, and a wide range of other factors. See "Executive Compensation — Fiscal Year 2017 Summary Compensation Table."

Other Benefits

Executive officers are eligible to participate in benefit programs available to all full-time employees. These programs include medical insurance, a qualified retirement program allowed under Section 401(k) of the Internal Revenue Code, and life insurance coverage.

Policies for the Pricing and Timing of Stock-Based Grants

Our Board of Directors sets the price of all stock-based awards at the closing price of our stock on the date of grant on Nasdaq, or for grants prior to October 9, 2017, on the NYSE American. Our Board of Directors grants stock-based compensation at regularly scheduled meetings each year. In the case of new hires, our Board of Directors generally grants stock-based awards on start dates, which are determined by the date the employee reports for service.

Employment Agreements

Each of Messrs. Finizio, Milligan, Cartwright, Krassan and Donegan is a party to an employment agreement with us, which provides for salaries, annual short-term cash-based incentive compensation and stock option grants. The employment agreements for each of Messrs. Finizio, Milligan and Cartwright provide for benefits in the event of certain changes in control of our company. These arrangements have no effect on our compensation arrangements absent a change in control. See “Executive Compensation — Employment Agreements.”

Fiscal 2017 Compensation

Use of Market Data

In determining the compensation of our executive officers, including our NEOs, we consider compensation levels of executives at companies similar to our company and other competitive factors to enable us to attract executives from other companies and retain and motivate our executives. We periodically review compensation levels of a peer group of companies and consider broader life sciences industry pay survey data. We use peer group and other information as a point of reference, but do not benchmark or target our compensation levels against our peer group or other factors. In 2016 and 2017, our Compensation Committee engaged Pay Governance to prepare a study of the executive officer

compensation practices of a group of peer companies.

For 2016, Pay Governance developed a group of 22 similarly-situated life science companies with median market cap of \$1.2 billion and median number of employees of 250. This 2016 Peer Group was used by the Compensation Committee and our Board of Directors when establishing our 2017 executive compensation program for our NEOs, along with information from the Radford Global Life Sciences Survey in which we participated for the first time in 2016-2017. The 2016 Peer Group consisted of the following companies:

Achillion Pharmaceuticals, Inc.
Acorda Therapeutics, Inc.
Agenus, Inc.
Agius Pharmaceuticals, Inc.
AMAG Pharmaceuticals, Inc.
Amarin Corporation plc
Ariad Pharmaceuticals Inc.
Cempra, Inc.
Depomed, Inc.
Exelixis, Inc.
FibroGen, Inc.
Halozyme Therapeutics, Inc.
Lexicon Pharmaceuticals, Inc.
MacroGenics, Inc.
Nektar Therapeutics
Portola Pharmeceuticals, Inc.
Raptor Pharmaceutical Corp.
Sarepta Therapeutics, Inc.
Spark Therapeutics, Inc.
Supernus Pharmaceuticals, Inc.
Tesaro, Inc.
Theravance Biopharma, Inc.

The 2016 Peer Group was based on the following criteria:

Industry: Companies competing in the biotech and pharmaceutical industries.

Phase of Development: Therapeutic products in either phase 2 or phase 3 development or pre-commercial stage.

Market Capitalization: Companies with a market capitalization between \$500 million and \$4.4 billion, with a median market cap of \$1.2 billion, compared to our then-current market cap of \$1.3 billion.

Number of Employees: Companies with between 80 and 535 employees, with a median number of employees of 250, compared to our then-current 159 employees.

Salary

Our NEOs received salaries for 2017 in accordance with their respective 2017 compensation plans as recommended by the Compensation Committee and approved by our Board of Directors. As is our practice, we set salaries for our NEOs at the beginning of the year as follows:

Executive Officer	Annualized	Annualized	% Increase	
	Fiscal 2016 Salary	Fiscal 2017 Salary		
Robert G. Finizio	\$ 600,000	\$ 600,000	0	%
John C.K. Milligan, IV	\$ 450,000	\$ 450,000	0	%
Daniel A. Cartwright	\$ 375,000	\$ 375,000	0	%
Mitchell L. Krassan	\$ 300,000	\$ 360,000	20	%
Michael Donegan	\$ 290,000	\$ 290,000	0	%

During 2017, salaries of all officers remained the same as 2016 salaries except for our Executive Vice President and Chief Strategy Officer, whose salary was below the market 25th percentile of our 2016 Peer Group and was increased in 2017 to be comparable to similar executives from the 2016 Peer Group.

Annual Performance-Based Incentive Plan

We use annual performance-based incentive compensation to motivate our NEOs to achieve our annual objectives as set forth in our annual operating plan, while making progress towards and supporting our longer-term strategic goals.

In addition, the Compensation Committee and our Board of Directors establish individual performance objectives for each of our NEOs. The payment of annual incentives is based upon the achievement of one or more corporate and individual performance objectives.

Target Annual Incentive Opportunities

The Compensation Committee and our Board of Directors determined the target annual incentive opportunities for each of our NEOs for fiscal 2017 should be a percentage of each NEO's salary. The target annual incentive opportunity established for each NEO for fiscal 2017 was as follows:

Executive Officer	Annualized Fiscal 2017 Salary	Target Annual Incentive Opportunity (as a percentage of salary)	Annualized Target Annual Incentive Opportunity (as a dollar amount)
Robert G. Finizio	\$ 600,000	100	% \$ 600,000
John C.K. Milligan, IV	\$ 450,000	70	% \$ 315,000
Daniel A. Cartwright	\$ 375,000	70	% \$ 262,500
Mitchell L. Krassan	\$ 360,000	50	% \$ 180,000
Michael Donegan	\$ 290,000	25	% \$ 72,500

In setting the target annual incentive opportunities for our NEOs, the Compensation Committee and our Board of Directors exercised their judgment and considered several factors, including:

Our overall financial and operational results for the prior fiscal year;

The prior performance of each NEO;

The NEOs' potential to contribute to our long-term strategic success;

The NEOs' roles and responsibilities;

Each NEO's individual experience and skills;

Competitive market practices for annual incentives; and

For our NEOs other than our CEO, the recommendations of our CEO.

Corporate Performance Measures

For fiscal 2017, the Compensation Committee and our Board of Directors selected several components to measure performance that best supported our annual operating plan and enhanced long-term value creation. As determined by the Compensation Committee and our Board of Directors, our NEOs were eligible to receive annual incentive compensation based on specific corporate performance measures for fiscal 2017. Our Board of Directors set these target levels to be aggressive, yet achievable, with diligent effort during 2017.

The corporate performance measures for fiscal 2017 were as follows:

Obtain approval from the FDA of the NDA for TX-004HR, our applicator-free vaginal estradiol softgel drug candidate for the treatment of moderate to severe dyspareunia, a symptom of VVA in post-menopausal women with vaginal linings that do not receive enough estrogen;

Prepare our company for the potential launch of TX-004HR, if approved;

Prepare for manufacturing and scale-up for TX-004HR;

Create marketing and sales strategies;

File an NDA with the FDA for TX-001HR, our bio-identical hormone therapy combination of 17 β - estradiol and progesterone in a single, oral softgel drug candidate, for the treatment of moderate to severe VMS due to menopause in post-menopausal women with an intact uterus;

Prepare for manufacturing and scale-up for TX-001HR;

Create and institute compliance and training initiatives;

Continue to inform and educate applicable constituencies regarding the potential market sizes for each of our drug candidates; and

Identify and explore business development opportunities for our drug candidates.

Individual Performance Objectives

Consistent with our compensation philosophy of rewarding individual performance, our CEO also developed and recommended to the Compensation Committee and our Board of Directors a series of individual performance objectives for our NEOs, which he deemed to be integral to the achievement of our annual operating plan. These objectives were approved by the Compensation Committee and our Board of Directors. The Compensation Committee and our Board of Directors determined the individual performance goals that should be used to assess the performance of our CEO.

For purposes of the fiscal 2017 annual performance-based incentive compensation, the individual performance goals for each of our NEOs were as follows:

Mr. Finizio

- o Submit the NDA for TX-001HR to the FDA;

- o Develop the launch plan for TX-004HR, if approved;

- o Continue to inform and educate applicable constituencies regarding the potential market sizes for our drug candidates;

- o Foster an environment of high integrity, ethics, and regulatory compliance; and

- o Identify and engage a manufacturer for both TX-001HR and TX-004HR.

Mr. Milligan

- o Prepare and file the NDA for TX-001HR;

- o Facilitate the company's continued development of a marketing, sales, distribution, and launch strategy for TX-004HR;

- o Identify and engage a manufacturer for both TX-001HR and TX-004HR;

- o Facilitate scale-up and manufacturing for TX-004HR;

- o Institute compliance and training initiatives; and

- o Facilitate the execution of the company's 2017 operations plan.

Mr. Cartwright

- o Build our business growth objectives with appropriate processes and controls;
- o Improve our balance sheet by raising additional funds;
- o Submit the NDA for TX-001HR to the FDA;
- o Continue to develop the TX-004HR launch plan;
- o Monitor and review our corporate and financial structure;
 - o Set future financial strategy; and
- o Foster an environment of high integrity, ethics, and regulatory compliance.

Mr. Krassan

o Provide leadership and direction as the company designs and build new systems for the launching of our drug candidates;

- o Engage third parties to develop independent analyses of the market size of each of our drug candidates;

o Discover additional metrics and data sets that will allow the company to validate the market size of each of our drug candidates; and

- o Provide guidance in evaluating and adjusting the TX-004HR launch assessment.

Mr. Donegan

o Provide leadership and direction with respect to, and plan and implement the installation of, a new general ledger and financial reporting system;

- o Support any additional Sarbanes-Oxley Act requirements;

- o Empower individuals to transition to new roles as the company expands;
- o Monitor and review our corporate and financial structure;
- o Set future financial strategy; and
- o Foster an environment of high integrity, ethics, and regulatory compliance.

After the end of the fiscal year, our CEO evaluated each NEO's progress towards the achievement of the NEO's individual performance objectives. In the case of our CEO, the Compensation Committee and the Board of Directors evaluated his progress towards the achievement of his individual performance goals.

Fiscal 2017 Annual Incentive Decisions

The annual incentive compensation for each of our NEOs was determined based on an assessment by the Compensation Committee and the Board of Directors of success in achieving the corporate performance measures and the individual performance objectives, after considering the recommendations of our CEO for NEOs other than himself.

Based on both our corporate performance for fiscal 2017, in which we met 95% of our corporate goals, and each NEO's individual performance during the year, the following annual incentive payments were made to our NEOs for fiscal 2017:

Executive Officer	Annualized Fiscal 2017 Salary	Target Annual Incentive Opportunity (as a percentage of salary)	Total Cash Incentive Payments for Fiscal 2017	Percentage of Target Annual Incentive Opportunity	
Robert G. Finizio	\$ 600,000	100	% \$ 570,000	95	%
John C.K. Milligan, IV	\$ 450,000	70	% \$ 299,250	95	%

Daniel A. Cartwright	\$ 375,000	70	% \$ 249,375	95	%
Mitchell L. Krassan	\$ 360,000	50	% \$ 171,000	95	%
Michael Donegan	\$ 290,000	25	% \$ 68,875	95	%

Stock-Based Awards

Stock option grants made in 2015 were designed to provide long-term incentive compensation for more than one year and our Compensation Committee decided, as a result, not to make stock option grants in 2016. This outcome was reflective of past stock option grant practices in which the timing of grants was intermittent (i.e., grants were made over several years on an informal schedule).

In early 2017, with the initial commercialization of several of our drug candidates anticipated to begin in the near future, the Compensation Committee and Board of Directors decided to move toward an approach to stock option grants more consistent with similarly situated companies, specifically providing for stock option grants to be made on an annual basis. The Compensation Committee and our Board of Directors believed moving to such a practice would better support our company's recruiting and retention needs for both executives and other employees in the context of the upcoming commercialization efforts. As a result, the following stock option grants were made on March 15, 2017 to our NEOs, each of which vests in equal annual installments over a period of three years from the date of grant:

Executive Officer	Number of Stock Options Granted
Robert G. Finizio	445,000
John C.K. Milligan, IV	260,000
Daniel A. Cartwright	170,000
Mitchell L. Krassan	170,000
Michael Donegan	40,000

Our Compensation Committee chose to make these grants based on market data from the 2016 Peer Group for similar positions at similar companies.

Each officer forfeits the unvested portion, if any, of the stock options if the officer's service to our company is terminated for any reason, except as may otherwise be determined by our Board of Directors or as provided in an applicable employment agreement. For Messrs. Finizio, Milligan, and Cartwright, stock-based awards vest upon termination due to death or "disability," termination by our company without "cause," resignation by the officer for "good reason," and a "change in control" of our company (as such terms are defined in the employment agreements).

See "Executive Compensation — Fiscal Year 2017 Grants of Plan-Based Awards" and "Executive Compensation — Outstanding Equity Awards at Fiscal Year-End 2017" tables for further information on equity awards granted to and held by each of our NEOs.

Severance and Change in Control Benefits

We have severance and change in control benefits for our NEOs documented in their respective employment agreements. We believe these benefits were necessary to attract our NEOs and the change in control benefits are in the best interests of our company and our stockholders because they help assure we will have the continued dedication and objectivity of our executive officers, notwithstanding the possibility or occurrence of a change in control. For further details, see "Executive Compensation — Potential Payments Upon Termination or Change in Control" below.

Tax and Accounting Considerations

Deductibility of Executive Compensation

The tax treatment of the elements of our compensation program is one factor considered in the design of the compensation program. Under Section 162(m) of the Internal Revenue Code, as amended, or the Code, the federal income tax deduction for certain types of compensation paid to certain executive officers of publicly-held companies is limited to \$1.0 million per officer per fiscal year unless such compensation meets certain requirements. This limitation does not apply to certain compensation awards granted prior to November 3, 2017 that meet the transition requirements under Section 162(m) of the Code for "qualifying performance based" compensation (i.e., compensation paid only if performance meets pre-established objective goals based on performance criteria approved by stockholders). Although the Compensation Committee considers the impact of Section 162(m) of the Code as well as

other tax and accounting consequences when developing and implementing our executive compensation programs, the Compensation Committee retains the flexibility to design and administer compensation programs in the best interests of our company and stockholders. In addition, due to the ambiguities and uncertainties as to the application and interpretation of Section 162(m) of the Code and the transition rule thereunder, no assurances can be given that compensation intended by the Compensation Committee to satisfy the requirements for deductibility under Section 162(m) of the Code would, in fact, do so. Recent tax legislation enacted by the U.S. Congress in December 2017 will likely result in more executive compensation not being tax deductible by our company.

Taxation of “Parachute” Payments

Sections 280G and 4999 of the Internal Revenue Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to significant additional taxes if they receive payments or benefits from a change in control of a company that exceed certain prescribed limits, and the company (or a successor) may forfeit a deduction on the amounts subject to this additional tax. We did not provide any executive officer, including any NEO, with a “gross-up” or other reimbursement payment for any tax liability they might owe as a result of the application of Sections 280G and 4999 during fiscal 2017, and we have not agreed and are not otherwise obligated to provide any executive officer with such a “gross-up” or other reimbursement.

Accounting for Stock-Based Compensation

We account for stock-based awards in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 718 “Compensation - Stock Compensation,” or ASC 718. In determining stock-based awards, the Compensation Committee considers the potential expense of these awards under ASC 718 and the impact on our earnings per share.

EXECUTIVE COMPENSATION

Fiscal Year 2017 Summary Compensation Table

The following table lists the compensation of our company's principal executive officer, principal financial officer, and each of our three other most highly compensated executive officers who were serving as executive officers (collectively, our NEOs) on December 31, 2017, the end of our last completed fiscal year. The following information includes the dollar value of salaries, bonus awards, the number of non-qualified options granted, non-equity incentive plan compensation, and certain other compensation, if any, whether paid or deferred.

Name and Principal Position	Year	Salary	Bonus	Option Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾	All Other Compensation	Total
Robert G. Finizio Chief Executive Officer	2017	\$ 600,000	\$40,000 ⁽³⁾	\$ 1,756,609	\$ 570,000	\$ 17,346	⁽⁵⁾ \$2,983,955
	2016	\$ 600,000	\$ 50,000 ⁽³⁾	—	\$ 600,000	\$ 13,347	⁽⁵⁾ \$1,263,347
	2015	\$ 550,000	—	\$4,565,253	\$ 962,500	\$ 15,155	⁽⁵⁾ \$6,092,908
John C.K. Milligan, IV President and Secretary	2017	\$450,000	\$40,000 ⁽³⁾	\$1,026,333	\$ 299,250	\$ 24,446	⁽⁴⁾ \$1,840,029
	2016	\$450,000	—	—	\$ 315,000	\$ 19,079	⁽⁴⁾ \$784,079
	2015	\$350,000	—	\$2,402,764	\$ 367,500	\$ 20,404	⁽⁴⁾ \$3,140,668
Daniel A. Cartwright Chief Financial Officer and Treasurer	2017	\$375,000	\$40,000 ⁽³⁾	\$671,064	\$ 249,375	\$ 17,346	⁽⁵⁾ \$1,352,785
	2016	\$375,000	—	—	\$ 262,500	\$ 14,066	⁽⁵⁾ \$651,566
	2015	\$345,000	—	\$1,561,797	\$ 362,250	\$ 14,792	⁽⁵⁾ \$2,283,839
Mitchell L. Krassan Executive Vice President and Chief Strategy Officer	2017	\$360,000	—	\$671,064	\$ 171,000	\$ 19,346	⁽⁶⁾ \$1,221,410
	2016	\$300,000	—	—	\$ 150,000	\$ 15,608	⁽⁶⁾ \$465,608
	2015	\$232,388	—	\$720,829	\$ 76,478	\$ 11,289	⁽⁶⁾ \$1,040,984
Michael Donegan Vice President - Finance	2017	\$290,000	—	\$157,898	\$ 68,875	\$ 14,718	⁽⁶⁾ \$531,491
	2016	\$290,000	—	—	\$ 72,500	\$ 12,176	⁽⁶⁾ \$374,676
	2015	\$180,000	—	\$480,553	\$ 36,000	\$ 10,218	⁽⁶⁾ \$706,771

(1) The valuation methodology used to determine the fair value of the options granted during the year was the Black-Scholes-Merton option-pricing model, an acceptable model in accordance with ASC 718-10. The Black-Scholes-Merton model requires the use of several assumptions, including volatility of the stock price, the weighted average risk-free interest rate, and the weighted average expected life of the options. For further information, see "Note 8 — Stockholders' Equity" included in the financial statements included in our Annual Report on

Form 10-K filed with the SEC for the fiscal year ended December 31, 2017.

Amounts in this column for fiscal 2017, 2016 and 2015 represent the amounts earned and payable under our 2017, 2016 and 2015 annual performance-based incentive plan, which were earned and payable in fiscal 2017, 2016 and 2015 but were not paid until after the end of fiscal 2017, 2016 and 2015, respectively. In addition, for Messrs.

(2) Finizio, Milligan, and Cartwright, amounts in this column for fiscal 2015 include cash incentive payments in the amounts of \$412,500, \$122,500, and \$120,750, respectively, that were paid in fiscal 2015 following the completion of our underwritten public offering of common stock in February 2015 as a result of such officers' determination not to accept any cash incentive payments for fiscal 2014 unless and until the company was able to complete an additional corporate financing transaction. For a description of our 2017 performance-based incentive plan and amounts earned thereunder, see "Compensation Discussion and Analysis —Fiscal 2017 Compensation— Annual Performance-Based Incentive Plan."

(3) Includes an additional discretionary payment of \$50,000 for 2016 related to completion of certain milestones related to our clinical trials for Messrs. Finizio and an additional discretionary bonus of \$40,000 for 2017 related to the outstanding work in the performance of the Company's objectives for Messrs. Finizio, Milligan, and Cartwright.

(4) Consists of health insurance premiums paid on Mr. Milligan's behalf and a \$5,100 car allowance for 2017, 2016 and 2015.

(5) Consists of health insurance premiums paid on the NEO's behalf.

(6) Consists of benefit premiums paid on the NEO's behalf and company match to 401(k) plan.

Fiscal Year 2017 Grants of Plan-Based Awards

The following table sets forth certain information with respect to grants of plan-based awards to the NEOs for the fiscal year ended December 31, 2017.

Name	Grant Date	Estimated Future Payouts		All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ⁽²⁾
		Under Non-Equity Incentive Plan Awards ⁽¹⁾ Target Threshold (\$)	Maximum (\$)			
Robert G. Finizio	—	—	—	—	—	—
	3/15/2017	—	—	445,000	6.83	1,756,609
John C.K. Milligan, IV	—	—	—	—	—	—
	3/15/2017	—	—	260,000	6.83	1,026,333
Daniel A. Cartwright	—	—	—	—	—	—
	3/15/2017	—	—	170,000	6.83	671,064
Mitchell L. Krassan	—	—	—	—	—	—
	3/15/2017	—	—	170,000	6.83	671,064
Michael Donegan	—	—	—	—	—	—
	3/15/2017	—	—	40,000	6.83	157,898

(1) Our fiscal 2017 annual performance-based cash bonus plan had no threshold or maximums. The amounts reflect the applicable target incentive cash compensation opportunity for our NEOs under our fiscal 2017 annual performance-based cash bonus plan. All such awards have been paid, and the actual amounts paid are set forth under the “Non-Equity Incentive Plan Compensation” in the Fiscal Year 2017 Summary Compensation Table above. Our fiscal 2017 annual performance-based cash bonus plan is discussed under “Compensation Discussion and Analysis — Fiscal 2017 Compensation — Annual Performance-Based Cash Bonus Plan.”

(2) The amounts shown in this column represent the grant date fair value for stock option awards granted to our NEOs during the covered year calculated in accordance with ASC 718, excluding the effects of forfeitures. The assumptions used in determining the grant date fair value of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2017. We calculated the estimated value of the award based on the closing stock price of our common stock on the date of grant.

Outstanding Equity Awards at Fiscal Year-End 2017

The following table sets forth information with respect to outstanding equity-based awards held by our NEOs at December 31, 2017.

Name	Grant Date	Option Awards		Option Exercise Price	Option Expiration Date
		Number of Securities Underlying Unexercised Options Exercisable	Unexercisable		
Robert G. Finizio	01/01/2009 ⁽¹⁾	1,472,910	—	\$ 0.10	01/01/2019
	02/27/2012 ⁽²⁾⁽¹⁶⁾	300,000	—	\$ 2.20	02/27/2022
	04/16/2012 ⁽³⁾⁽¹⁶⁾	50,000	—	\$ 2.55	04/16/2022
	11/30/2012 ⁽⁴⁾⁽¹⁶⁾	268,474 ⁽⁵⁾	—	\$ 3.00	11/30/2022
	12/17/2015 ⁽⁶⁾	950,000	—	\$ 8.92	12/17/2025
	03/15/2017 ⁽⁷⁾	—	445,000	\$ 6.83	03/15/2027
John C.K. Milligan, IV	01/01/2009 ⁽¹⁾	2,032,255	—	\$ 0.10	01/01/2019
	02/27/2012 ⁽²⁾	300,000	—	\$ 2.20	02/27/2022
	04/16/2012 ⁽³⁾	75,000	—	\$ 2.55	04/16/2022
	11/30/2012 ⁽⁴⁾⁽¹⁷⁾	800,000	—	\$ 3.00	11/30/2022
	05/02/2013 ⁽⁸⁾	50,000	—	\$ 2.80	05/02/2023
	01/06/2014 ⁽⁹⁾	236,250	—	13,547	249,797
Director and Chief Financial Officer of West Bank					
Harlee N. Olafson	2011 \$ 210,000	\$ 88,200	(3)\$ 23,359	\$ 321,559	
Executive Vice President and Chief Risk Officer of the Company;	2010 84,000	30,000	15,877	129,877	
Director, Executive Vice President and Chief Risk Officer of West Bank					
Brad L. Winterbottom	2011 \$ 225,000	\$ 49,500	(3)\$ 30,229	\$ 304,729	
	2010 214,789	—	22,042	236,831	

Executive Vice
 President of the
 Company;
 Director and
 President of West
 Bank

2009	234,231	—	17,101	251,332
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(1) Amounts are shown in the year earned.

Consists entirely of contributions made by the Company on behalf of the Named Executive Officer to the Company's Employee Savings and Stock Ownership Plan (including 401(k) matches and discretionary plan contributions for 2011) except for the following amounts for 2011, which represent premiums on group term life

(2) insurance coverage: Nelson - \$1,002; Gulling - \$1,486; Olafson - \$670; and Winterbottom - \$795; club dues: Nelson - \$6,021; Gulling - \$3,024; Olafson - \$4,569; and Winterbottom - \$6,934; and auto allowance: Nelson \$6,812; and Olafson \$6,812.

(3) Consists of a holiday bonus equal to two percent of annual salary, which is paid to all officers and employees of West Bank, as well as a discretionary annual incentive bonus.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee approved McGladrey & Pullen, LLP, an independent registered public accounting firm, as the principal accountant for the Company. McGladrey & Pullen, LLP, will conduct the audit of the Company and its subsidiary for 2012. McGladrey & Pullen, LLP was also the principal accountant and performed the audit in 2011.

A representative from McGladrey & Pullen, LLP will be present at the Annual Meeting. The representative will have the opportunity to make a statement and will be available to respond to appropriate questions from shareholders.

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Audit Fees

The following table presents fees for professional audit services rendered by McGladrey & Pullen, LLP for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2011 and 2010, and fees billed for other services rendered by McGladrey & Pullen, LLP and its associated entity, RSM McGladrey, Inc. Effective December 1, 2011, McGladrey & Pullen, LLP acquired RSM McGladrey, Inc.

	2011	2010
Audit fees (1)	\$240,000	\$219,000
Audit-related fees (2)	25,000	31,540
Tax fees (3)	8,105	22,260
All other fees (4)	35,424	1,558
Total	\$308,529	\$274,358

(1) Audit fees represent fees for professional services provided for the audit of the Company's annual financial statements, review of the Company's quarterly financial statements in connection with the filing of current and periodic reports, FHA compliance audit, and reporting on internal controls in accordance with Section 404 of Sarbanes-Oxley.

(2) Audit-related fees represent the audit of the Company's Employee Savings and Stock Ownership Plan and filing of a registration statement in 2011.

(3) Tax fees represent fees for professional services related to tax compliance, which included preparation or review of tax returns and tax advice regarding an IRS audit.

(4) All other fees represent fees for consulting related to software installation.

The Audit Committee considered whether the non-audit services provided to the Company by McGladrey & Pullen, LLP and its associated entity, RSM McGladrey, Inc. are compatible with maintaining the independence of McGladrey & Pullen, LLP and concluded that the independence of McGladrey & Pullen, LLP is not compromised by the provision of such services.

The Audit Committee pre-approves all auditing services and permitted non-audit services, including the fees and terms of those services, to be performed for the Company by its independent registered public accounting firm prior to engagement.

GENERAL MATTERS

Certain Relationships and Related Transactions

Certain directors of the Company have direct and indirect material interests in loans made by West Bank. All of the loans were made in West Bank's ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with other persons not related to West Bank or the Company, and did not involve more than the normal risk of collectability or present other unfavorable features. None of the loans have been classified as nonaccrual, past due, restructured, or potential problem loans. The Board considered these loans when considering the independence of its directors and determined that such loans did not prevent the relevant directors from being able to serve as independent directors.

The Audit Committee's charter requires the Audit Committee to review and approve all related party transactions that must be disclosed. All transactions between the Company or its subsidiaries and any related person, including loans made by West Bank involving \$120,000 or more, are reviewed to determine whether all material facts of the transaction are known to the Audit Committee, the transaction complies with known legal requirements, and the transaction is fair to the Company or its subsidiary. The Audit Committee completed the required review of the fiscal

year 2011 related party transactions, and all transactions were approved and ratified.

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2013 Shareholder Proposals

Any proposal which a shareholder intends to present at the 2013 annual meeting of shareholders must be received by the Company by November 7, 2012, in order to be eligible for inclusion in the Company's proxy statement and proxy card relating to such meeting, unless the date of the 2013 annual meeting is changed by more than 30 days from April 26, 2013, in which case the proposal must be received a reasonable time before the Company begins to print and send its proxy materials for the 2013 annual meeting. Upon timely receipt of any such proposal, the Company will determine whether to include such proposal in the proxy statement and proxy in accordance with applicable SEC regulations governing shareholder proposals and the solicitation of proxies.

Shareholders wishing to recommend names of individuals for possible nomination to the Board may do so according to the following procedures:

1. Contact Alice A. Jensen, Corporate Secretary, at the address below to obtain the Board Membership Criteria established by the Board.
2. Provide Ms. Jensen with a typewritten recommendation naming the proposed candidate and specifically explaining how the candidate meets the criteria adopted by the Board.
3. Submit the recommendation to Ms. Jensen no later than 120 days prior to the expected mailing date of the proxy (November 7, 2012).
4. Prove the person making the recommendation is a Company shareholder who owns shares with a market value of at least \$2,000 and who has held those shares for at least one year at the time the submission is made.
5. If the person being recommended is aware of the submission, he or she must sign a statement so indicating.
6. If the person being recommended is not aware of the submission, the submitter must explain why.

The written submission must be mailed or hand delivered to:

Ms. Alice A. Jensen
Corporate Secretary
West Bancorporation, Inc.
1601 22nd Street
West Des Moines, Iowa 50266

Shareholder Communications

It is the general policy of the Board that management speaks for the Company. To the extent shareholders wish to communicate with a Company representative, they may do so by contacting Doug Gulling, Executive Vice President and Chief Financial Officer, 1601 22nd Street, West Des Moines, Iowa 50266. Mr. Gulling may be reached by telephone at 515-222-2300 or by email at dgulling@westbankiowa.com.

The Company has a process for shareholders to send communications to the Board or any of its individual members. Any shareholder wishing to communicate with one or more Board members should address a written communication to Mr. Gulling at one of the addresses noted above. Mr. Gulling will forward all appropriate shareholder communications to the full Board or its individual members as appropriate. Mr. Gulling will generally not forward communications that are primarily commercial in nature or related to an improper or irrelevant topic.

Form 10-K

The Company has included a copy of its annual report on Form 10-K for the year ended December 31, 2011, as filed with the SEC, with this proxy statement. A request for an additional copy should be directed to Alice A. Jensen,

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Corporate Secretary, West Bancorporation, Inc., 1601 22nd Street, West Des Moines, Iowa 50266 or by calling 515-222-2300. The Company's Form 10-K will also be available on the SEC's website at <http://www.sec.gov>, and through a link at the Investor Relations, SEC Filings section of the Company's website (www.westbankiowa.com).

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Delivery of Documents to Shareholders Sharing an Address

In some instances, only one annual report or proxy statement is being delivered to two or more Shareholders who share an address. The Company will promptly deliver additional copies of its proxy statement, summary annual report, and the annual report on Form 10-K to any Shareholder who makes such a request. Any Shareholder who wishes to receive separate copies of these documents in the future may notify Alice A. Jensen, Corporate Secretary, at 1601 22nd Street, West Des Moines, Iowa 50266, or 515-222-2300. Alternatively, any Shareholders sharing an address who are receiving multiple copies of these documents may also notify Ms. Jensen to request delivery of only one copy.

By Order of the Board of Directors,

/s/ Alice A. Jensen

Alice A. Jensen
Secretary
West Bancorporation, Inc.
March 7, 2012

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EXHIBIT A

West Bancorporation, Inc.
2012 Equity Incentive Plan

Article 1
INTRODUCTION

Section 1.1 Purpose, Effective Date and Term. The purpose of this West Bancorporation, Inc. 2012 Equity Incentive Plan is to promote the long-term financial success of West Bancorporation, Inc. and its Subsidiaries by providing a means to attract, retain and reward individuals who can and do contribute to such success, and to further align their interests with those of the Shareholders. The “Effective Date” of the Plan is January 25, 2012 subject to approval of the Plan by the Shareholders. The Plan shall remain in effect as long as any Awards are outstanding; provided, however, that no Awards may be granted after the 10-year anniversary of the Effective Date.

Section 1.2 Participation. Each employee and director of, and service provider to, the Company and each Subsidiary who is granted, and currently holds, an Award in accordance with the terms of the Plan shall be a “Participant” in the Plan. Award recipients shall be limited to employees and directors of, and service providers to, the Company and its Subsidiaries; provided, however, that an Award (other than an Award of an ISO) may be granted to an individual prior to the date on which he or she first performs services as an employee, director or service provider, provided that such Award does not become vested prior to the date such individual commences such services.

Section 1.3 Definitions. Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Article 8).

Article 2
AWARDS

Section 2.1 General. Any Award may be granted singularly, in combination with another Award (or Awards), or in tandem whereby the exercise or vesting of one Award held by a Participant cancels another Award held by the Participant. Each Award shall be subject to the terms of the Plan and such additional terms as the Committee may provide with respect to such Award and as may be evidenced in the Award Agreement. Subject to the provisions of Section 3.4(b), an Award may be granted as an alternative to or replacement of an existing award under the Plan, any other plan of the Company or a Subsidiary or as the form of payment for grants or rights earned or due under any other compensation plan or arrangement of the Company or a Subsidiary, including the plan of any entity acquired by the Company or a Subsidiary. The types of Awards that may be granted include the following:

- (a) Stock Options. A stock option represents the right to purchase Shares at an exercise price established by the Committee. Any stock option may be either an ISO or a nonqualified stock option that is not intended to be an ISO. No ISOs may be (i) granted after the 10-year anniversary of the earlier of the Effective Date or Shareholder approval of the Plan or (ii) granted to a non employee. To the extent the aggregate Fair Market Value (determined at the time of grant) of Shares with respect to which ISOs are exercisable for the first time by any Participant during any calendar year under all plans of the Company and its Subsidiaries exceeds \$100,000, the stock options or portions thereof that exceed such limit shall be treated as nonqualified stock options. Unless otherwise specifically provided by its terms, any stock option granted under the Plan shall be a nonqualified stock option. All or a portion of any ISO granted under the Plan that does not qualify as an ISO for any reason shall be deemed to be a nonqualified stock option. In addition, any ISO granted under the Plan may be unilaterally modified by the

Committee to disqualify such stock option from ISO treatment such that it shall become a nonqualified stock option.

Stock Appreciation Rights. A stock appreciation right (“SAR”) is a right to receive, in cash, Shares or a combination of both (as shall be reflected in the respective Award Agreement), an amount equal to or based upon the excess of (b) (i) the Fair Market Value at the time of exercise of the SAR over (ii) an exercise price established by the Committee.

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(c) Stock Awards. A stock award is a grant of Shares or a right to receive Shares (or their cash equivalent or a combination of both, as shall be reflected in the respective Award Agreement) in the future. Such Awards may include bonus shares, performance shares, performance units, restricted stock, restricted stock units or any other equity-based Award as determined by the Committee.

(d) Cash Incentive Awards. A cash incentive award is the grant of a right to receive a payment of cash (or Stock having a value equivalent to the cash otherwise payable, as shall be reflected in the respective Award Agreement), determined on an individual basis or as an allocation of an incentive pool that is contingent on the achievement of performance objectives established by the Committee.

Section 2.2 Exercise of Stock Options and SARs. A stock option or SAR shall be exercisable in accordance with such terms as may be established by the Committee; provided, however, that a stock option or SAR shall expire no later than 10 years after its grant date (five years in the case of an ISO with respect to a 10% Shareholder). The exercise price of each stock option and SAR shall be not less than 100% of the Fair Market Value on the grant date (or, if greater, the par value of a Share); provided, however, that the exercise price of an ISO shall be not less than 110% of Fair Market Value on the grant date in the case of a 10% Shareholder; and provided, further, that, to the extent permitted under Code Section 409A, and subject to Section 3.4(b), the exercise price may be higher or lower in the case of stock options and SARs granted in replacement of existing awards held by an employee, director or service provider granted by an acquired entity. The payment of the exercise price of a stock option shall be by cash or, subject to limitations imposed by applicable law, by such other means as the Committee may from time to time permit, including: (a) by tendering, either actually or by attestation, Shares acceptable to the Committee and valued at Fair Market Value as of the day of exercise; (b) by irrevocably authorizing a third party, acceptable to the Committee, to sell Shares acquired upon exercise of the stock option and to remit to the Company a sufficient portion of the sale proceeds to pay the entire exercise price and any tax withholding resulting from such exercise; (c) by payment through a net exercise such that, without the payment of any funds, the Participant may exercise the option and receive the net number of Shares equal in value to (i) the number of Shares as to which the option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value (on such date as is determined by the Committee) less the exercise price, and the denominator of which is such Fair Market Value (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); (d) by personal, certified or cashiers' check; (e) by other property deemed acceptable by the Committee or (f) by any combination thereof.

Section 2.3 Performance-Based Compensation. Any Award that is intended to be Performance-Based Compensation shall be conditioned on the achievement of one or more objective performance measures, to the extent required by Code Section 162(m), as may be determined by the Committee. The grant of any Award and the establishment of performance measures that are intended to be Performance-Based Compensation shall occur during the period required under Code Section 162(m).

(a) Performance Measures. The performance measures described in this Section 2.3 may be based on any one or more of the following: earnings (e.g., earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization or earnings per share); financial return ratios (e.g., return on investment, return on invested capital, return on equity or return on assets); "Texas Ratio"; expense ratio; efficiency ratio; increase in revenue or operating or net cash flows; cash flow return on investment; total shareholder return; market share; net operating income, operating income or net income; debt load reduction; loan and lease losses; expense management; economic value added; stock price; book value; overhead; assets; asset quality level; charge offs; loan loss reserves; nonperforming assets; loans; deposits; growth of loans, deposits or assets; interest sensitivity gap levels; regulatory compliance; improvement of financial rating; achievement of balance sheet or income statement objectives; improvements in capital structure; profitability; profit margins; budget comparisons or strategic business objectives, consisting of one or more objectives based on meeting specific cost targets, business expansion goals or goals relating to acquisitions or divestitures. Performance measures may be based on the performance of the Company as a whole or

of any one or more Subsidiaries, business units of the Company or a Subsidiary or a specific, or group of, product lines, and may be measured relative to a peer group, an index or a business plan.

Partial Achievement. The terms of an Award may provide that partial achievement of the performance measures (b) may result in payment or vesting based upon the degree of achievement. In addition, partial achievement of performance measures shall apply toward a Participant's individual limitations as set forth in Section 3.3.

Extraordinary Items. In establishing any performance measures, the Committee may provide for the exclusion of the effects of the following items, to the extent identified in the audited financial statements of the Company, including footnotes, or in the Management's Discussion and Analysis section of the Company's annual report:

(c) (i) extraordinary, unusual or nonrecurring items of gain or loss; (ii) gains or losses on the disposition of a business; (iii) changes in tax or accounting principles, regulations or laws; and (iv) mergers or acquisitions. To the extent not specifically excluded, such effects shall be included in any applicable performance measure.

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Adjustments. Pursuant to this Section 2.3, in certain circumstances the Committee may adjust performance measures; provided, however, that no adjustment may be made with respect to an Award that is intended to be Performance-Based Compensation, except to the extent the Committee exercises such negative discretion as is permitted under Code Section 162(m). If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or a Subsidiary conducts its business or other events or circumstances render current performance measures to be unsuitable, the (d) Committee may modify such performance measures, in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit during a performance period, the Committee may determine that the selected performance measures or applicable performance period are no longer appropriate, in which case, the Committee, in its sole discretion, may (i) adjust, change or eliminate the performance measures or change the applicable performance period or (ii) cause to be made a cash payment to the Participant in an amount determined by the Committee.

Section 2.4 Dividends and Dividend Equivalents. Any Award may provide the Participant with the right to receive dividend payments or dividend equivalent payments with respect to Shares subject to the Award, which payments may be made currently or credited to an account for the Participant, may be settled in cash or Shares and may be subject to terms similar to the underlying Award.

Section 2.5 Forfeiture of Awards. Unless specifically provided to the contrary in an Award Agreement, upon notification of Termination of Service for Cause, any outstanding Award, whether vested or unvested, held by a Participant shall terminate immediately, the Award shall be forfeited and the Participant shall have no further rights thereunder.

Section 2.6 Deferred Compensation. The Plan is, and all Awards are, intended to be exempt from (or, in the alternative, to comply with) Code Section 409A, and each shall be construed, interpreted and administered accordingly. The Company does not guarantee that any benefits that may be provided under the Plan will satisfy all applicable provisions of Code Section 409A. If any Award would be considered “deferred compensation” under Code Section 409A, the Committee reserves the absolute right (including the right to delegate such right) to unilaterally amend the Plan or the applicable Award Agreement, without the consent of the Participant, to avoid the application of, or to maintain compliance with, Code Section 409A. Any amendment by the Committee to the Plan or an Award Agreement pursuant to this Section 2.6 shall maintain, to the extent practicable, the original intent of the applicable provision without violating Code Section 409A. A Participant's acceptance of any Award shall be deemed to constitute the Participant's acknowledgment of, and consent to, the rights of the Committee under this Section 2.6, without further consideration or action. Any discretionary authority retained by the Committee pursuant to the terms of the Plan or pursuant to an Award Agreement shall not be applicable to an Award that is determined to constitute deferred compensation, if such discretionary authority would contravene Code Section 409A.

Article 3

SHARES SUBJECT TO PLAN

Section 3.1 Available Shares. The Shares with respect to which Awards may be granted shall be Shares currently authorized but unissued, currently held or, to the extent permitted by applicable law, subsequently acquired by the Company, including Shares purchased in the open market or in private transactions.

Section 3.2 Share Limitations.

(a) Share Reserve. Subject to the following provisions of this Section 3.2, the maximum number of Shares that may be delivered under the Plan shall be 800,000 Shares (all of which may be granted as ISOs). The maximum number of

Shares available for delivery under the Plan (including the number that may be granted as ISOs) and the number of Shares subject to outstanding Awards shall be subject to adjustment as provided in Section 3.4. As of the date of Shareholder approval of the Plan, the West Bancorporation, Inc. Restricted Stock Compensation Plan shall be terminated.

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(b) Reuse of Shares.

- To the extent any Shares covered by an Award are not delivered to a Participant or beneficiary for any reason, including because the Award is forfeited, canceled or settled in cash, such Shares shall not be deemed to have been delivered for purposes of determining the maximum number of Shares available for delivery under the Plan and shall again become eligible for delivery under the Plan.
- (i)
- (ii) With respect to SARs that are settled in Shares, only Shares actually delivered shall be counted for purposes of determining the maximum number of Shares available for delivery under the Plan.

- If the exercise price of any stock option granted under the Plan is satisfied by tendering Shares to the Company (whether by actual delivery or by attestation and whether or not such surrendered Shares were acquired pursuant to an Award), only the number of Shares delivered net of the Shares tendered shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan.
- (iii)

- If the withholding tax liabilities arising from an Award are satisfied by the tendering of Shares to the Company (whether by actual delivery or by attestation and whether or not such tendered Shares were acquired pursuant to an Award) or by the withholding of Shares by the Company, such Shares shall not be deemed to have been delivered for purposes of determining the maximum number of Shares available for delivery under the Plan and shall again become eligible for delivery under the Plan.
- (iv)

Section 3.3 Limitations on Grants to Individuals. The following limitations shall apply with respect to Awards:

- Stock Options and SARs. The maximum number of Shares that may be subject to stock options or SARs granted to any one Participant during any calendar year that are intended to be Performance-Based Compensation, and then only to the extent that such limitation is required by Code Section 162(m), shall be 50,000. For purposes of this
- (a) Section 3.3(a), if a stock option is granted in tandem with an SAR, such that the exercise of the option or SAR with respect to a Share cancels the tandem SAR or option right, respectively, with respect to such Share, the tandem option and SAR rights with respect to each Share shall be counted as covering one Share for purposes of applying the limitations of this Section 3.3(a).

- Stock Awards. The maximum number of Shares that may be subject to stock awards that are granted to any one
- (b) Participant during any calendar year and are intended to be Performance-Based Compensation, and then only to the extent that such limitation is required by Code Section 162(m), shall be 50,000.

- Cash Incentive Awards and Stock Awards Settled in Cash. The maximum dollar amount that may be payable to any one Participant pursuant to cash incentive awards or cash-settled stock awards that are granted to any one
- (c) Participant during any calendar year and are intended to be Performance-Based Compensation, and then only to the extent that such limitation is required by Code Section 162(m), shall be \$500,000.

- Dividends, Dividend Equivalents and Earnings. For purposes of determining whether an Award is intended to be qualified as Performance-Based Compensation under the foregoing limitations of this Section 3.3, (i) the right to
- (d) receive dividends and dividend equivalents with respect to any Award that is not yet vested shall be treated as a separate Award, and (ii) if the delivery of any Shares or cash under an Award is deferred, any earnings, including dividends and dividend equivalents, shall be disregarded.

- (e) Partial Performance. Notwithstanding the preceding provisions of this Section 3.3, if in respect of any performance period or restriction period, the Committee grants to a Participant Awards having an aggregate dollar value and/or number of Shares less than the maximum dollar value and/or number of Shares that could be paid or awarded to

such Participant based on the degree to which the relevant performance measures were attained, the excess of such maximum dollar value and/or number of Shares over the aggregate dollar value and/or number of Shares actually subject to Awards granted to such Participant shall be carried forward and shall increase the maximum dollar value and/or the number of Shares that may be awarded to such Participant in respect of the next performance period or restriction period in respect of which the Committee grants to such Participant an Award intended to qualify as Performance-Based Compensation, subject to adjustment pursuant to Section 3.4.

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Section 3.4 Corporate Transactions; Repricing.

Adjustments. To the extent permitted under Code Section 409A, to the extent applicable, in the event of a corporate transaction involving the Company or the Shares (including any stock dividend, stock split, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), all outstanding Awards, the number of Shares available for delivery under the Plan under Section 3.2 and each of the specified limitations set forth in Section 3.3 shall be adjusted automatically to proportionately and uniformly reflect such transaction (but only to the extent that such adjustment will not negatively affect the status of an Award intended to qualify as Performance-Based Compensation, if applicable); provided, however, that, subject to Section 3.4(b), the Committee may otherwise adjust Awards (or prevent such automatic adjustment) as it deems necessary, in its sole discretion, to preserve the benefits or potential benefits of the Awards and the Plan. Action by the Committee under this Section 3.4(a) may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding stock options and SARs; and (iv) any other adjustments that the Committee determines to be equitable (which may include (A) replacement of an Award with another award that the Committee determines has comparable value and that is based on stock of a company resulting from a corporate transaction, and (B) cancellation of an Award in return for cash payment of the current value of the Award, determined as though the Award were fully vested at the time of payment, provided that in the case of a stock option or SAR, the amount of such payment shall be the excess of the value of the stock subject to the option or SAR at the time of the transaction over the exercise price, and provided, further, that no such payment shall be required in consideration of the Award if the exercise price is greater than the value of the stock at the time of such corporate transaction).

No Repricing. Notwithstanding any provision of the Plan to the contrary, no adjustment or reduction of the exercise price of any outstanding stock option or SAR in the event of a decline in Stock price shall be permitted without approval by the Shareholders or as otherwise expressly provided under Section 3.4(a). The foregoing prohibition includes (i) reducing the exercise price of outstanding stock options or SARs, (ii) cancelling (b) outstanding stock options or SARs in connection with the granting of stock options or SARs with a lower exercise price to the same individual, (iii) cancelling stock options or SARs with an exercise price in excess of the current Fair Market Value in exchange for a cash or other payment, and (iv) taking any other action that would be treated as a repricing of a stock option or SAR under the rules of the primary securities exchange or similar entity on which the Shares are listed.

Section 3.5 Delivery of Shares. Delivery of Shares or other amounts under the Plan shall be subject to the following:

Compliance with Applicable Laws. Notwithstanding any provision of the Plan to the contrary, the Company shall (a) have no obligation to deliver any Shares or make any other distribution of benefits under the Plan unless such delivery or distribution complies with all applicable laws and the applicable requirements of any securities exchange or similar entity.

Certificates. To the extent that the Plan provides for the delivery of Shares, the delivery may be effected on a (b) non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any securities exchange or similar entity.

Article 4

CHANGE IN CONTROL

Section 4.1 Consequence of a Change in Control. Subject to the provisions of Section 3.4 (relating to the adjustment of shares), and except as otherwise provided in the Plan or in the terms of any Award Agreement, at the time of a Change in Control:

(a) Subject to any forfeiture and expiration provisions otherwise applicable to the stock options or SARs, all stock options and SARs under the Plan then held by the Participant shall become fully exercisable immediately if (i) the Plan and the respective Award Agreements are not fully assumed in such Change in Control or (ii) the Plan and the respective Award Agreements are fully assumed in such Change in Control and the Participant incurs a Termination of Service by the Company or a Subsidiary without Cause or by the Participant for Good Reason following such Change in Control.

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Subject to any forfeiture and expiration provisions otherwise applicable to the stock awards or cash incentive awards, all stock awards and cash incentive awards under the Plan then held by the Participant shall become fully earned and vested immediately if (i) the Plan and the respective Award Agreements are not fully assumed in such (b) Change in Control or (ii) the Plan and the respective Award Agreements are fully assumed in such Change in Control and the Participant incurs a Termination of Service by the Company or a Subsidiary without Cause or by the Participant for Good Reason following such Change in Control.

(c) Notwithstanding the foregoing provisions of this Section 4.1, if the vesting of an outstanding Award is conditioned upon the achievement of performance measures, then such vesting shall be subject to the following:

If, at the time of the Change in Control, the established performance measures are less than 50% attained (as (i) determined in the sole discretion of the Committee, based upon a pro rata determination through the date of the Change in Control), then such Award shall become vested and exercisable on a fractional basis with the numerator being equal to the percentage of attainment and the denominator being 50% upon the Change in Control.

If, at the time of the Change in Control, the established performance measures are at least 50% attained (as (ii) determined in the sole discretion of the Committee, based upon a pro rata determination through the date of the Change in Control), then such Award shall become fully earned and vested immediately upon the Change in Control.

Section 4.2 Definition of Change in Control. For purposes of the Plan, "Change in Control" means the first to occur of the following:

(a) The consummation of the acquisition by any "person" (as such term is defined in Section 13(d) or 14(d) of the Exchange Act) of "beneficial ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 51% or more of the combined voting power of the then outstanding Voting Securities of the Company;

(b) During any 12-month period, the individuals who, as of the Effective Date, are members of the Board cease for any reason to constitute a majority of the Board, unless the election or nomination for election by the Shareholders of any new director was approved by a vote of a majority of the Board, in which case such new director shall for purposes of this Plan be considered as a member of the Board; or

(c) The consummation by the Company of (i) a merger or consolidation if the Shareholders immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than 51% of the combined voting power of the then outstanding Voting Securities of the entity resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the Voting Securities of the Company outstanding immediately before such merger or consolidation or (ii) a complete liquidation or dissolution or an agreement for the sale or other disposition of all or substantially all of the assets of the Company.

(d) Notwithstanding any provision in the foregoing definition of Change in Control to the contrary, a Change in Control shall not be deemed to occur solely because 51% or more of the combined voting power of the then outstanding securities of the Company are acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained for employees of the entity or (ii) any corporation that, immediately prior to such acquisition, is owned directly or indirectly by the Shareholders in the same proportion as their ownership of Stock immediately prior to such acquisition.

(e) Further notwithstanding any provision in the foregoing definition of Change in Control to the contrary, in the event that any Award constitutes deferred compensation, and the settlement of, or distribution of benefits under such

Award is to be triggered by a Change in Control, then such settlement or distribution shall be subject to the event constituting the Change in Control also constituting a “change in control event” under Code Section 409A.

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Article 5

COMMITTEE

Section 5.1 Administration. The authority to control and manage the operation and administration of the Plan shall be vested in the Committee in accordance with this Article 5. The Committee shall be selected by the Board, provided that the Committee shall consist of two or more members of the Board, each of whom is a “non-employee director” (within the meaning of Rule 16b-3 promulgated under the Exchange Act), an “outside director” (within the meaning of Code Section 162(m)) and an “independent director” (within the meaning of the rules of the applicable securities exchange). Subject to the applicable rules of any securities exchange or similar entity, if the Committee does not exist, or for any other reason determined by the Board, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

Section 5.2 Powers of Committee. The Committee's administration of the Plan shall be subject to terms of the Plan and the following:

The Committee shall have the authority and discretion to select from among the Company's and the Subsidiary's employees, directors and service providers those persons who shall receive Awards, to determine the time or times (a) of receipt, to determine the types of Awards and the number of Shares covered by the Awards, to establish the terms of Awards, to cancel or suspend Awards and to reduce or eliminate any restrictions or vesting requirements applicable to an Award at any time after the grant of the Award.

In the event that the Committee determines that it is advisable to grant Awards that do not qualify for the exception (b) for Performance-Based Compensation from the tax deductibility limitations of Code Section 162(m), the Committee may grant such Awards without satisfying the requirements of Code Section 162(m).

The Committee shall have the authority and discretion to interpret the Plan, to establish, amend and rescind any (c) rules and regulations relating to the Plan and to make all other determinations that may be necessary or advisable for the administration of the Plan.

(d) The Committee shall have the authority to define terms not otherwise defined in the Plan.

(e) Any interpretation of the Plan by the Committee and any decision made by it under the Plan shall be final and binding on all persons.

(f) In controlling and managing the operation and administration of the Plan, the Committee shall take action in a manner that conforms to the articles and bylaws of the Company and to all applicable law.

Section 5.3 Delegation by Committee. Except to the extent prohibited by applicable law, the applicable rules of any securities exchange or similar entity or the Plan, or as necessary to comply with the exemptive provisions of Rule 16b-3 of the Exchange Act, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers under the Plan to any person or persons selected by it, including by:

Delegating to a committee of one or more members of the Board who are not “outside directors” (within the meaning of Code Section 162(m)) the authority to grant Awards to eligible persons who are either (i) not then “covered (a) employees” (within the meaning of Code Section 162(m)) and are not expected to be “covered employees” at the time of recognition of income resulting from such Award; or (ii) not persons with respect to whom the Company wishes to comply with Code Section 162(m); and

Delegating to a committee of one or more members of the Board who are not “non-employee directors” (within the (b) meaning of Rule 16b-3) the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

The acts of such delegates shall be treated under the Plan as acts of the Committee and such delegates shall report regularly to the Committee regarding the delegated duties and responsibilities and any Awards granted. Any such allocation or delegation may be revoked by the Committee at any time.

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Section 5.4 Information to be Furnished to Committee. As may be permitted by applicable law, the Company and each Subsidiary shall furnish the Committee with such data and information as it determines may be required for it to discharge its duties under the Plan. The records of the Company and each Subsidiary as to an employee's or Participant's employment, termination of employment, leave of absence, reemployment and compensation shall be conclusive with respect to all persons unless determined by the Committee to be manifestly incorrect. Subject to applicable law, Participants and other persons entitled to benefits under the Plan shall furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the terms of the Plan.

Section 5.5 Expenses and Liabilities. All expenses and liabilities incurred by the Committee in the administration and interpretation of the Plan or any Award Agreement shall be borne by the Company. The Committee may employ attorneys, consultants, accountants or other persons in connection with the administration and interpretation of the Plan, and the Company, and its officers and directors, shall be entitled to rely upon the advice, opinions and valuations of any such persons.

Article 6

AMENDMENT AND TERMINATION

Section 6.1 General. The Board may, as permitted by law, at any time, amend or terminate the Plan, and may amend any Award Agreement; provided, however, that no amendment or termination may (except as provided in Section 2.6, Section 3.4 and Section 6.2), in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), impair the rights of any Participant or beneficiary under any Award granted prior to the date such amendment or termination is adopted by the Board; and provided, further, that no amendment may (a) materially increase the benefits accruing to Participants under the Plan, (b) materially increase the aggregate number of securities that may be delivered under the Plan other than pursuant to Section 3.4, or (c) materially modify the requirements for participation in the Plan, unless the amendment under (a), (b) or (c) immediately above is approved by the Shareholders.

Section 6.2 Amendment to Conform to Law. Notwithstanding any provision of the Plan or an Award Agreement to the contrary, the Committee may amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or the Award Agreement to any applicable law. By accepting an Award, the Participant shall be deemed to have acknowledged and consented to any amendment to an Award made pursuant to this Section 6.2, Section 2.6 or Section 3.4 without further consideration or action.

Article 7

GENERAL TERMS

Section 7.1 No Implied Rights.

No Rights to Specific Assets. No person shall by reason of participation in the Plan acquire any right in or title to any assets, funds or property of the Company or any Subsidiary, including any specific funds, assets, or other property that the Company or a Subsidiary, in its sole discretion, may set aside in anticipation of a liability under (a) the Plan. A Participant shall have only a contractual right to the Shares or amounts, if any, distributable in accordance with the terms of the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan or an Award Agreement shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to provide any benefits to any person.

(b)

No Contractual Right to Employment or Future Awards. The Plan does not constitute a contract of employment, and selection as a Participant shall not give any person the right to be retained in the service of the Company or a Subsidiary or any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan. No individual shall have the right to be selected to receive an Award, or, having been so selected, to receive a future Award.

No Rights as a Shareholder. Except as otherwise provided in the Plan, no Award shall confer upon the holder (c) thereof any rights as a Shareholder prior to the date on which the individual fulfills all conditions for receipt of such rights.

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Section 7.2 Transferability. Except as otherwise provided by the Committee, Awards are not transferable except as designated by the Participant by will or by the laws of descent and distribution or pursuant to a “qualified domestic relations order” (as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974). The Committee shall have the discretion to permit the transfer of Awards; provided, however, that such transfers shall be limited to immediate family members of Participants, trusts and partnerships established for the primary benefit of such family members or to charitable organizations; and provided, further, that such transfers shall not be made for consideration to the Participant.

Section 7.3 Designation of Beneficiaries. A Participant hereunder may file with the Company a written designation of a beneficiary or beneficiaries under the Plan and may from time to time revoke or amend any such designation. Any designation of beneficiary under the Plan shall be controlling over any other disposition, testamentary or otherwise; provided, however, that if the Committee is in doubt as to the entitlement of any such beneficiary to any Award, the Committee may determine to recognize only the legal representative of the Participant in which case the Company, the Committee and the members thereof shall not have any further liability to anyone.

Section 7.4 Non-Exclusivity. Neither the adoption of the Plan by the Board nor the submission of the Plan to the Shareholders for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including the granting of restricted stock, stock options or other equity awards otherwise than under the Plan or an arrangement that is or is not intended to qualify under Code Section 162(m), and such arrangements may be either generally applicable or applicable only in specific cases.

Section 7.5 Award Agreement. Each Award shall be evidenced by an Award Agreement. A copy of the Award Agreement, in any medium chosen by the Committee, shall be made available to the Participant, and the Committee may require that the Participant sign a copy of the Award Agreement.

Section 7.6 Form and Time of Elections. Unless otherwise specified in the Plan, each election required or permitted to be made by any Participant or other person entitled to benefits under the Plan, and any permitted modification, or revocation thereof, shall be filed with the Company at such times, in such form, and subject to such terms, not inconsistent with the terms of the Plan, as the Committee may require.

Section 7.7 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information that the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

Section 7.8 Tax Withholding. All distributions under the Plan shall be subject to withholding of all applicable taxes and the Committee may condition the delivery of any Shares or other benefits under the Plan on satisfaction of the applicable withholding obligations. Except as otherwise provided by the Committee, such withholding obligations may be satisfied (a) through cash payment by the Participant; (b) through the surrender of Shares that the Participant already owns; or (c) through the surrender of Shares to which the Participant is otherwise entitled under the Plan; provided, however, that except as otherwise specifically provided by the Committee, such Shares under clause (c) may not be used to satisfy more than the Company's minimum statutory withholding obligation.

Section 7.9 Action by Company or Subsidiary. Any action required or permitted to be taken by the Company or a Subsidiary shall be by resolution of its board of directors, or by action of one or more members of the board (including a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or the applicable rules of any securities exchange or similar entity) by a duly authorized officer of the Company or such Subsidiary.

Section 7.10 Successors. All obligations of the Company under the Plan shall be binding upon and inure to the benefit of any successor to the Company.

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Section 7.11 Indemnification. To the fullest extent permitted by law, each person who is or shall have been a member of the Committee or the Board, or an officer of the Company to whom authority was delegated in accordance with Section 5.3, or an employee of the Company shall be indemnified and held harmless by the Company against and from any loss (including amounts paid in settlement), cost, liability or expense (including reasonable attorneys' fees) that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her (provided that he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf), unless such loss, cost, liability or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's charter or bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Section 7.12 No Fractional Shares. Unless otherwise permitted by the Committee, no fractional Shares shall be delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, Shares or other property shall be delivered or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

Section 7.13 Governing Law. The Plan, all Awards, and all actions taken in connection herewith and therewith shall be governed by and construed in accordance with the laws of the State of Iowa without reference to principles of conflict of laws, except as superseded by applicable federal law.

Section 7.14 Benefits Under Other Plans. Except as otherwise provided by the Committee, Awards granted to a Participant (including the grant and the receipt of benefits) shall be disregarded for purposes of determining the Participant's benefits under, or contributions to, any qualified retirement plan, nonqualified plan and any other benefit plan maintained by the Participant's employer.

Section 7.15 Validity. If any provision of the Plan is determined to be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provision had never been included in the Plan.

Section 7.16 Notice. Unless provided otherwise in an Award Agreement, all written communications to the Company provided for in the Plan, or any Award Agreement, shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid (provided that international mail shall be sent via overnight or two-day delivery), or sent by facsimile or prepaid overnight courier to the Company at the address set forth below:

West Bancorporation, Inc.

1601 22nd Street

West Des Moines, Iowa 50266

Such communications shall be deemed given:

- (a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery;
- (b) in the case of certified or registered U.S. mail, five days after deposit in the U.S. mail; or
- (c) in the case of facsimile, the date upon which the transmitting party receives confirmation of receipt by facsimile, telephone or otherwise;

provided, however, that in no event shall any communication be deemed to be given later than the date it is actually received, provided it is actually received. In the event a communication is not received, it shall be deemed received only upon the showing of an original of the applicable receipt, registration or confirmation from the applicable delivery service provider. Communications that are to be delivered by U.S. mail or by overnight service to the Company shall be directed to the attention of the Company's senior human resources officer and corporate secretary.

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Section 7.17 Clawback Policy. Any Award, amount or benefit received under the Plan shall be subject to potential cancellation, recoupment, rescission, payback or other similar action in accordance with the terms of any applicable Company clawback policy (the "Policy") or any applicable law. A Participant's receipt of an Award shall be deemed to constitute the Participant's acknowledgment of and consent to the Company's application, implementation and enforcement of (i) the Policy and any similar policy established by the Company that may apply to the Participant and (ii) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, as well as the Participant's express agreement that the Company may take such actions as are necessary to effectuate the Policy, any similar policy and applicable law, without further consideration or action.

Section 7.18 Breach of Restrictive Covenants. Except as otherwise provided by the Committee, notwithstanding any provision of the Plan to the contrary, if the Participant breaches a non-competition, non-solicitation, non-disclosure, non-disparagement or other restrictive covenant set forth in an Award Agreement or any other agreement between the Participant and the Company or a Subsidiary, whether during or after the Participant's Termination of Service, in addition to any other penalties or restrictions that may apply under any such agreement, state law, or otherwise, the Participant shall forfeit or pay to the Company:

(a) Any and all outstanding Awards granted to the Participant, including Awards that have become vested or exercisable;

(b) Any Shares held by the Participant in connection with the Plan that were acquired by the Participant after the Participant's Termination of Service and within the twelve-month period immediately preceding the Participant's Termination of Service;

(c) The profit realized by the Participant from the exercise of any stock options and SARs that the Participant exercised after the Participant's Termination of Service and within the twelve-month period immediately preceding the Participant's Termination of Service, which profit is the difference between the exercise price of the stock option or SAR and the Fair Market Value of any Shares or cash acquired by the Participant upon exercise of such stock option or SAR; and

(d) The profit realized by the Participant from the sale, or other disposition for consideration, of any Shares received by the Participant in connection with the Plan after the Participant's Termination of Service and within the twelve-month period immediately preceding the Participant's Termination of Service and where such sale or disposition occurs in such similar time period.

Article 8

DEFINED TERMS; CONSTRUCTION

Section 8.1 In addition to the other definitions contained in the Plan, unless otherwise specifically provided in an Award Agreement, the following definitions shall apply:

(a) "10% Shareholder" means an individual who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company.

(b) "Award" means an award under the Plan.

(c) "Award Agreement" means the document that evidences the terms of an Award. Such document shall be referred to as an agreement regardless of whether a Participant's signature is required.

(d) "Board" means the Board of Directors of the Company.

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If the Participant is subject to an employment agreement (or other similar agreement) with the Company or a Subsidiary that provides a definition of termination for “cause” (or the like), then, for purposes of the Plan, the term “Cause” has the meaning set forth in such agreement; and in the absence of such a definition, “Cause” means (i) any act of (A) fraud or intentional misrepresentation or (B) embezzlement, misappropriation or conversion of assets or opportunities of the Company or a Subsidiary, (ii) willful violation of any law, rule or regulation in connection with the performance of the Participant's duties (other than traffic violations or similar offenses), (iii) commission of any act of moral turpitude or conviction of a felony or (iv) the willful or negligent failure of the Participant to perform his or her duties in any material respect.

Further, the Participant shall be deemed to have terminated for Cause if, after the Participant's Termination of Service, facts and circumstances arising during the course of the Participant's employment with the Company are discovered that would have constituted a termination for Cause.

Further, all rights a Participant has or may have under the Plan shall be suspended automatically during the pendency of any investigation by the Board or its designee or during any negotiations between the Board or its designee and the Participant regarding any actual or alleged act or omission by the Participant of the type described in the applicable definition of “Cause.”

(f) “Change in Control” has the meaning ascribed to it in Section 4.2.

(g) “Code” means the Internal Revenue Code of 1986.

(h) “Committee” means the Committee acting under Article 5, and in the event a Committee is not currently appointed, the Board.

(i) “Company” means West Bancorporation, Inc., an Iowa corporation.

“Compete” means, directly or indirectly, in any capacity, to conduct business on behalf of or become employed by or associated with as a consultant, director, advisor or otherwise, or to own, manage or operate, any business in competition with the Company or a Subsidiary in any market in which the Company or a Subsidiary actively conducts business as of the Participant's Termination of Service; provided, however, that nothing in this definition shall be deemed to prohibit the acquisition or holding of not more than 2% of the shares or other securities of a publicly-traded entity.

“Disability” means the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident or health plan covering the Company's or a Subsidiary's employees.

(l) “Effective Date” has the meaning ascribed to it in Section 1.1.

(m) “Exchange Act” means the Securities Exchange Act of 1934.

“Fair Market Value” means, as of any date, the officially-quoted closing selling price of the Shares on such date on the principal national securities exchange on which Shares are listed or admitted to trading or, if there have been no sales with respect to Shares on such date, or if the Shares are not so listed or admitted to trading, the Fair Market Value shall be the value established by the Committee in good faith and, to the extent required, in accordance with Code Sections 422 and 409A.

If the Participant is subject to an employment agreement (or other similar agreement) with the Company or a Subsidiary that provides a definition of termination for “good reason” (or the like), then, for purposes of the Plan, the term “Good Reason” has the meaning set forth in such agreement; and in the absence of such a definition, “Good Reason” means the occurrence of any one of the following events, unless the Participant agrees in writing that such event shall not constitute Good Reason:

- (i) A material, adverse change in the nature, scope or status of the Participant's position, authorities or duties from those in effect immediately prior to the applicable Change in Control;

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(ii) A material reduction in the Participant's aggregate compensation or benefits in effect immediately prior to the applicable Change in Control; or

(iii) Relocation of the Participant's primary place of employment of more than 15 miles from the Participant's primary place of employment immediately prior to the applicable Change in Control, or a requirement that the Participant engage in travel that is materially greater than prior to the applicable Change in Control.

Notwithstanding any provision of this definition to the contrary, prior to the Participant's Termination of Service for Good Reason, the Participant must give the Company written notice of the existence of any condition set forth in clause (i) - (iii) immediately above within 90 days of its initial existence and the Company shall have 30 days from the date of such notice in which to cure the condition giving rise to Good Reason, if curable. If, during such 30-day period, the Company cures the condition giving rise to Good Reason, the condition shall not constitute Good Reason. Further notwithstanding any provision of this definition to the contrary, in order to constitute a termination for Good Reason, such termination must occur within 12 months of the initial existence of the applicable condition.

(p) "ISO" means a stock option that is intended to satisfy the requirements applicable to an "incentive stock option" described in Code Section 422(b).

(q) "Participant" has the meaning ascribed to it in Section 1.2.

(r) "Performance-Based Compensation" has the meaning ascribed to it in Code Section 162(m).

(s) "Plan" means the West Bancorporation, Inc. 2012 Equity Incentive Plan.

(t) "Policy" has the meaning ascribed to it in Section 7.17.

"Retirement" means a voluntary Termination of Service by a Participant who is at least age 65 and who has at least (u) 10 years of service with the Company or a Subsidiary, provided that such Participant provides the Company with at least six months of advance written notice of such Termination of Service.

(v) "SAR" has the meaning ascribed to it in Section 2.1(b).

(w) "Securities Act" means the Securities Act of 1933.

(x) "Share" means a share of Stock.

(y) "Stock" means the common stock of the Company, no par value per share.

(z) "Shareholders" means the shareholders of the Company.

(aa) "Subsidiary" means any corporation, bank or other entity that would be a "subsidiary corporation" as defined in Code Section 424(f) with respect to the Company.

"Termination of Service" means the first day occurring on or after a grant date on which the Participant ceases to be (bb) an employee and director of, and service provider to, the Company and each Subsidiary, regardless of the reason for such cessation, subject to the following:

The Participant's cessation as an employee or service provider shall not be deemed to occur by reason of the (i) Participant's being on a leave of absence from the Company or a Subsidiary approved by the Company or Subsidiary otherwise receiving the Participant's services.

- If, as a result of a sale or other transaction, the Subsidiary for whom the Participant is employed (or to whom the Participant is providing services) ceases to be a Subsidiary, and the Participant is not, following the transaction, an employee or director of, or service provider to, the Company or an entity that is then a Subsidiary, then the
- (ii) occurrence of such transaction shall be treated as the Participant's Termination of Service caused by the Participant being discharged by the entity for whom the Participant is employed or to whom the Participant is providing services.

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(iii) A service provider other than an employee or director whose services to the Company or a Subsidiary are governed by a written agreement with such service provider shall cease to be a service provider at the time such written agreement ends (without renewal); and such a service provider whose services to the Company or a Subsidiary are not governed by a written agreement with the service provider shall cease to be a service provider on the date that is 90 days after the date the service provider last provides services requested by the Company or a Subsidiary.

(iv) Notwithstanding the foregoing, in the event that any Award constitutes deferred compensation, the term Termination of Service shall be interpreted by the Committee in a manner consistent with the definition of “separation from service” as defined under Code Section 409A.

(cc) “Voting Securities” means any securities that ordinarily possess the power to vote in the election of directors without the happening of any precondition or contingency.

Section 8.2 In the Plan, unless otherwise stated, the following uses apply:

(a) actions permitted under the Plan may be taken at any time in the actor's reasonable discretion;

(b) references to a statute shall refer to the statute and any amendments and any successor statutes, and to all regulations promulgated under or implementing the statute, as amended, or its successors, as in effect at the relevant time;

(c) in computing periods from a specified date to a later specified date, the words “from” and “commencing on” (and the like) mean “from and including,” and the words “to,” “until” and “ending on” (and the like) mean “to, but excluding”;

(d) references to a governmental or quasi-governmental agency, authority or instrumentality shall also refer to a regulatory body that succeeds to the functions of the agency, authority or instrumentality;

(e) indications of time of day shall be based upon the time applicable to the location of the principal headquarters of the Company;

(f) the words “include,” “includes” and “including” mean “include, without limitation,” “includes, without limitation” and “including, without limitation,” respectively;

(g) all references to articles and sections are to articles and sections in the Plan;

(h) all words used shall be construed to be of such gender or number as the circumstances and context require;

(i) the captions and headings of articles and sections appearing in the Plan have been inserted solely for convenience of reference and shall not be considered a part of the Plan, nor shall any of them affect the meaning or interpretation of the Plan or any of its provisions;

(j) any reference to an agreement, plan, policy, document or set of documents, and the rights and obligations of the parties under any such agreement, plan, policy, document or set of documents, shall mean such agreement, plan, policy, document or set of documents as amended from time to time, and any and all modifications, extensions, renewals, substitutions or replacements thereof; and

(k) all accounting terms not specifically defined in the Plan shall be construed in accordance with GAAP.

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West Bancorporation, Inc.
 Annual Meeting of Shareholders
 Thursday, April 26, 2012
 4:00 p.m.
 1601 22nd Street,
 West Des Moines, Iowa

You may vote by:

INTERNET proxy.ilstk.com
 (Must vote 2 days prior to
 meeting date.)

VOTER CONTROL NUMBER

MAIL

VOTE EITHER:

- With Management on all
 Proposals (must sign below)
- OR
- Make individual selections
 below (must sign below)

If you plan to personally attend the 2012 Annual
 Meeting of Shareholders, please check the appropriate
 box below and list the names of the attendees on the
 reverse side.

ATTENDANCE YES NO

WEST BANCORPORATION, INC. WEST DES MOINES, IOWA
 PROXY FOR ANNUAL MEETING OF SHAREHOLDERS ON APRIL 26, 2012

The undersigned hereby appoints David R. Milligan and David D. Nelson, or either of them, the undersigned's attorneys and proxies, with full power of substitution, to vote all shares of Common Stock of West Bancorporation, Inc. which the undersigned is entitled to vote as of the record date, February 23, 2012, as fully as the undersigned could do if personally present, at the Annual Meeting of Shareholders of said corporation to be held in the Conference Center at the headquarters of the Company, located at 1601 22nd Street, West Des Moines, Iowa, on Thursday, April 26, 2012, at 4:00 p.m., Central Time, and any and all adjournments thereof.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSALS 1, 2, 4, and 5 and a VOTE OF "EVERY-YEAR" FOR PROPOSAL 3.

		FOR	VOTE WITHHELD			FOR	VOTE WITHHELD
1. Election of Directors:	01 Frank W. Berlin	<input type="checkbox"/>	<input type="checkbox"/>	07 George D. Milligan	<input type="checkbox"/>	<input type="checkbox"/>	
	02 Thomas A. Carlstrom	<input type="checkbox"/>	<input type="checkbox"/>	08 David D. Nelson	<input type="checkbox"/>	<input type="checkbox"/>	
	03 Joyce A. Chapman	<input type="checkbox"/>	<input type="checkbox"/>	09 James W. Noyce	<input type="checkbox"/>	<input type="checkbox"/>	
	04 Steven K. Gaer	<input type="checkbox"/>	<input type="checkbox"/>	10 Robert G. Pulver	<input type="checkbox"/>	<input type="checkbox"/>	
	05 Kaye R. Lozier	<input type="checkbox"/>	<input type="checkbox"/>	11 Lou Ann Sandburg	<input type="checkbox"/>	<input type="checkbox"/>	
	06 David R. Milligan	<input type="checkbox"/>	<input type="checkbox"/>				

2. To approve, on a non-binding basis, the 2011 compensation of the named executive officers disclosed in the Proxy Statement.

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FOR AGAINST ABSTAIN

3. To vote on the frequency of holding future shareholder advisory votes on approval of the compensation of the named executive officers.

EVERY YEAR EVERY TWO YEARS EVERY THREE YEARS ABSTAIN

4. To approve the West Bancorporation, Inc. 2012 Equity Incentive Plan.

FOR AGAINST ABSTAIN

5. To ratify the appointment of McGladrey & Pullen, LLP as the Company's independent registered public accounting firm for 2012.

FOR AGAINST ABSTAIN

6. In accordance with their discretion, upon all other matters that may properly come before said meeting and any adjournments or postponements thereof.

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned shareholder(s). IF NO DIRECTION IS GIVEN FOR A PARTICULAR MATTER, THIS PROXY WILL BE VOTED (1) FOR THE ELECTION OF THE NOMINEES LISTED IN PROPOSAL 1; (2) FOR THE APPROVAL OF THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS IN PROPOSAL 2; (3) FOR EVERY YEAR IN PROPOSAL 3; (4) FOR THE APPROVAL OF THE WEST BANCORPORATION, INC. 2012 EQUITY INCENTIVE PLAN IN PROPOSAL 4; (5) FOR THE RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM IN PROPOSAL 5; AND (6) IN THE DISCRETION OF THE NAMED PROXIES UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING.

SIGNATURE DATE SIGNATURE DATE

Please sign exactly as name appears on the reverse side. When shares are held by joint tenants, both should sign. When signing as administrator, attorney, executor, guardian or trustee, please give full title as such. If signing as an authorized officer of a corporation, please sign full corporate name and indicate office held.

PLEASE LIST NAMES OF PERSONS ATTENDING