

FLUIDIGM CORP
Form 10-K/A
April 27, 2016
Table of Contents

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

FORM 10-K/A
(Amendment No. 1)

(Mark One)

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

For the fiscal year ended December 31, 2015

Or

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

For the transition period from to

Commission file number: 001-34180

FLUIDIGM CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
7000 Shoreline Court, Suite 100
South San Francisco, California 94080
(Address of principal executive offices) (Zip Code)
(650) 266-6000

77-0513190
(I.R.S. Employer
Identification Number)

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.001 Par Value per Share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933, as amended. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information

statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer "

Non-accelerated filer " (Do not check if a smaller reporting company) Smaller reporting company "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No

As of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately \$695,502,434 (based on a closing sale price of \$24.20 per share as reported for the NASDAQ Global Select Market on June 30, 2015).

The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of March 31, 2016 was 28,895,723.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this Form 10-K/A) to the Annual Report on Form 10-K of Fluidigm Corporation, a Delaware corporation (referred to as Fluidigm , we , us , or our) for the fiscal year ended December 31, 2015, originally filed with the Securities and Exchange Commission (SEC) on February 29, 2016 (the Original 10-K), is being filed for the purpose of including the information required by Part III of Form 10-K. Fluidigm does not anticipate filing its definitive proxy statement within 120 days of its fiscal year ended December 31, 2015. Therefore, the information required by Part III of Form 10-K will not be incorporated by reference to our definitive proxy statement for the 2016 Annual Meeting of Stockholders. Part III, Items 10-14, of our Original 10-K are hereby amended and restated in their entirety.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, in connection with this Form 10-K/A, our Chief Executive Officer and Chief Financial Officer are providing Rule 13a-14(a) certifications as included herein. We are amending Item 15 of Part IV solely to reflect the inclusion of these certifications.

Except as described above, this Form 10-K/A does not modify or update disclosure in, or exhibits to, the Original Form 10-K. Furthermore, this Form 10-K/A does not change any previously reported financial results, nor does it reflect events occurring after the filing date of the Original 10-K. Information not affected by this Form 10-K/A remains unchanged and reflects the disclosures made at the time the Original 10-K was filed.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PART III</u>	4
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	4
<u>Item 11. Executive Compensation</u>	10
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	30
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	33
<u>Item 14. Principal Accounting Fees and Services</u>	35
<u>PART IV</u>	36
<u>Item 15. Exhibits, Financial Statement Schedules</u>	36
<u>Signatures</u>	37

Table of Contents**PART III****Item 10. Directors, Executive Officers and Corporate Governance****Board of Directors**

Our board of directors is currently comprised of six members and is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a term of three years to succeed the class of directors whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2016 for the Class III directors, 2017 for the Class I directors, and 2018 for the Class II directors. The ages of our directors as indicated in this Form 10-K/A are determined as of March 31, 2016.

Class III Directors (Term Expiring in 2016)

Samuel D. Colella, age 76, has served as a member and chairman of our board of directors since July 2000. Mr. Colella is a managing director of Versant Ventures, a healthcare venture capital firm he co-founded in 1999, and has been a general partner of Institutional Venture Partners since 1984. Mr. Colella currently serves on the board of directors of Flexion Therapeutics, Inc. (NASDAQ: FLXN), a specialty pharmaceutical company. Mr. Colella also is currently a member of the board of directors of several private companies. Mr. Colella served on the board of directors of Genomic Health, Inc. (NASDAQ: GHDX), a molecular diagnostics company, from 2001 to 2014; Alexza Pharmaceuticals, Inc. (NASDAQ: ALXA), a pharmaceutical company, from 2002 to 2012; Jazz Pharmaceuticals, Inc. (NASDAQ: JAZZ), a biopharmaceutical company, from 2003 to 2012; Veracyte, Inc. (NASDAQ: VCYT), a diagnostics company, from 2006 to 2014; Solta Medical, Inc., a medical aesthetics company, from 1997 to 2007; and Symyx Technologies, Inc., a life science company that merged with Accelrys, Inc. from 1997 to 2007. Mr. Colella received a B.S. in business and engineering from the University of Pittsburgh and an M.B.A. from Stanford University. We believe that Mr. Colella's broad understanding of the life science industry and his extensive experience working with emerging private and public companies, including prior service as chairman of boards of directors, qualifies him to serve on, and as chairman of our board of directors.

Gajus V. Worthington, age 46, is a co-founder of Fluidigm and has served as our president, chief executive officer, and a director since our inception in June 1999. From May 1994 to April 1999, Mr. Worthington held various staff and management positions at Actel Corporation, a public semiconductor company that was acquired by Microsemi Corporation in 2010. Mr. Worthington received a B.S. in physics and an M.S. in electrical engineering from Stanford University. We believe that Mr. Worthington's deep understanding of our business, operations, and strategy qualifies him to serve on our board of directors.

Class I Directors (Term Expiring in 2017)

Evan Jones, age 59, has served as a member of our board of directors since April 2011. Since 2007, Mr. Jones has served as managing member of jVen Capital, LLC, a life sciences investment company. He also serves as chairman and chief executive officer of OpGen, Inc. (NASDAQ: OPGN), a publicly-traded precision medicine company using molecular diagnostics and bioinformatics to combat infectious diseases. Previously, he co-founded Digene Corporation, or Digene, a publicly-traded biotechnology company focused on women's health and molecular diagnostic testing that was sold to Qiagen, N.V. (NASDAQ: QGEN) in 2007. He served as chairman of Digene's board of directors from 1995 to 2007, as Digene's chief executive officer from 1990 to 2006, and as Digene's president from 1990 to 1999. From 2008 to 2013, Mr. Jones also served as a member of the board of directors of CAS Medical Systems, Inc. (NASDAQ: CASM), a developer of patient vital signs monitoring products and technologies. In

addition, Mr. Jones has served as a member of the board of directors of Foundation Medicine, Inc. (NASDAQ: FMI), a molecular information company dedicated to transformations in cancer care, since 2013, and Veracyte, Inc. (NASDAQ: VCYT), a molecular cytology company, since 2008. Mr. Jones received a B.A. from the University of Colorado and an M.B.A. from The Wharton School at the University of Pennsylvania. We believe that Mr. Jones extensive experience in the molecular diagnostic testing industry, as chief executive officer of a public company focused on molecular diagnostic testing, as well as his service as a director of other public and private companies, qualifies him to serve on our board of directors.

Table of Contents

Patrick S. Jones, age 71, has served as a member of our board of directors since March 2011. Mr. Jones has been a private investor since March 2001. Mr. Jones currently serves as chairman of Inside Secure SA (PAR: INSD.PA), a company that makes digital security solutions. He also serves on the board of directors of Talend SA, a private data integration company, and Intersoft SA, a public software automation company. From 2005 to May 2015, Mr. Jones served on the board of directors of Lattice Semiconductor Corporation (NASDAQ: LSCC), a fabless semiconductor company. From 2012 to 2013, Mr. Jones served as chairman of Dialogic Inc. (OTC: DLGC), a communications technology company. From 2005 to 2012, Mr. Jones served as chairman of Epocrates, Inc., a provider of clinical solutions to healthcare professionals and interactive services to the healthcare industry, which was acquired by athenahealth, Inc. in 2013. From 2007 to 2012, Mr. Jones also served on the board of directors of Openwave Systems Inc., a telecom infrastructure software provider that changed its name to Unwired Planet (NASDAQ: UPIP) in 2012. From 2007 to 2011, Mr. Jones served on the board of directors of Novell, Inc., an enterprise infrastructure software provider that was sold to Attachmate Corporation in 2011. From June 1998 to March 2001, Mr. Jones was the senior vice president and chief financial officer of Gemplus International S.A. (now GEMALTO N.V.), a provider of solutions empowered by smart cards. From March 1992 to June 1998, he was vice president of finance and corporate controller at Intel Corporation, a producer of microchips and communications products. Prior to that, Mr. Jones served as chief financial officer of LSI Corporation (formerly known as LSI Logic), a semiconductor company. Mr. Jones received a B.A. from the University of Illinois and an M.B.A. from St. Louis University. We believe that Mr. Jones significant financial and accounting expertise and international business experience qualify him to serve on our board of directors.

Class II Directors (Term Expiring in 2018)

John A. Young, age 83, has been a member of our board of directors since March 2001. Mr. Young retired in October 1992 after having served as president and chief executive officer of Hewlett-Packard Company, a diversified electronics manufacturer, since 1978. Mr. Young served as a director of Affymetrix, Inc. (NASDAQ: AFFX), a provider of genomic analysis tools and reagents for genetic testing, from 1992 to 2010, and Vermillion, Inc. (NASDAQ: VRML), a molecular diagnostics company, from 1994 to 2008. He currently serves as a director of Nanosys, Inc., a private venture-backed semiconductor company specializing in nanotechnology. Mr. Young received a B.S. in electrical engineering from Oregon State University and an M.B.A. from Stanford University. We believe that Mr. Young's extensive executive management experience qualifies him to serve on our board of directors.

Gerhard F. Burbach, age 54, joined our board of directors in January 2013. Mr. Burbach currently serves as chairman of the board of directors of Autonomic Technologies, Inc., or ATI, a medical device company focused on the treatment of severe headaches. Mr. Burbach served as interim chief executive officer and president of ATI from December 2015 to April 2016. Mr. Burbach also serves as an executive advisor to Titan Spine, LLC, a private medical implant surface technology company, and Microfabrica Inc., a private advanced manufacturing firm. From January 2006 to September 2014, Mr. Burbach served as president, chief executive officer, and director of Thoratec Corporation (NASDAQ: THOR), a company that develops, manufactures, and markets proprietary medical devices used for circulatory support. In addition, from 2004 to February 2013, Mr. Burbach served as a member of the board of directors of Digirad Corporation (NASDAQ: DRAD), a company focused on diagnostic imaging products. From April 2005 to January 2006, Mr. Burbach served as president and chief executive officer of Digirad Corporation. From July 2003 to April 2005, he served as president and chief executive officer of Bacchus Vascular, Inc., a developer of catheter-based medical devices. From January 2001 to July 2003, he served as chief executive officer of Philips Nuclear Medicine, a division of Philips Electronics, and before its acquisition by Philips, he worked for four years for ADAC Laboratories, most recently as president. Mr. Burbach also spent six years with the management consulting firm of McKinsey & Company, Inc., where he was most recently a senior engagement manager in the firm's healthcare practice. We believe that Mr. Burbach's experience as a chief executive officer and director of other public life sciences companies qualifies him to serve on our board of directors.

Table of Contents**Executive Officers**

The names of our executive officers, their ages, their positions with Fluidigm and other biographical information as of March 31, 2016 are set forth below. There are no family relationships among any of our directors or executive officers.

Name	Age	Position
Gajus V. Worthington	46	President, Chief Executive Officer, and Director
Vikram Jog	59	Chief Financial Officer
Robert C. Jones	61	Chief Technology Officer, Genomics
William M. Smith	65	Executive Vice President, Legal Affairs, General Counsel, and Secretary
Mai Chan (Grace) Yow	57	Executive Vice President, Worldwide Manufacturing and Managing Director of Fluidigm Singapore Pte. Ltd.
Steven C. McPhail	62	General Manager, Production Genomics
Marc Unger, Ph.D.	45	Executive Vice President, Research & Development and Marketing

Gajus V. Worthington is a co-founder of Fluidigm and has served as our president, chief executive officer, and a director since our inception in June 1999. From May 1994 to April 1999, Mr. Worthington held various staff and management positions at Actel Corporation, a public semiconductor company that was acquired by Microsemi Corporation in 2010. Mr. Worthington received a B.S. in physics and an M.S. in electrical engineering from Stanford University.

Vikram Jog has served as our chief financial officer since February 2008. From April 2005 to February 2008, Mr. Jog served as chief financial officer for XDx, Inc. (now CareDx, Inc.), a molecular diagnostics company. From March 2003 to April 2005, Mr. Jog was a vice president of Applera Corporation, a life science company that is now part of Thermo Fisher Scientific, and vice president of finance for its related businesses, Celera Genomics and Celera Diagnostics. From April 2001 to March 2003, Mr. Jog was vice president of finance for Celera Diagnostics and corporate controller of Applera Corporation. Mr. Jog received a Bachelor of Commerce degree from Delhi University and an M.B.A. from Temple University. Mr. Jog is a member of the American Institute of Certified Public Accountants.

Robert C. Jones has served as our chief technology officer, genomics since August 2015. Previously, Mr. Jones served as executive vice president, research and development from August 2005 to July 2015. From August 1984 to July 2005, Mr. Jones held various managerial and research and development positions at Applied Biosystems, a laboratory equipment and supplies manufacturer that was a division of Applera Corporation, including: senior vice president research and development from April 2001 to August 2005; vice president and general manager informatics division from 1998 to 2001; and vice president PCR business unit from 1994 to 1998. Mr. Jones received a B.S.E.E. in electrical engineering and an M.S.E.E. in computer engineering from the University of Washington.

William M. Smith has served as our executive vice president, legal affairs since February 2012 and as general counsel and our secretary since May 2000. From May 2000 to February 2012, Mr. Smith served as our vice president, legal affairs and served as a director from May 2000 to April 2008. Mr. Smith currently serves on the board of directors of Theracos, Inc., a private pharmaceutical research and development company, and Agenovir Corporation, a private therapeutics company. Mr. Smith served as an associate and then as a partner at the law firm of Townsend and Townsend and Crew, LLP from 1985 through April 2008. Mr. Smith received a J.D. and an M.P.A. from the University of Southern California and a B.A. in biology from the University of California, San Diego.

Mai Chan (Grace) Yow has served as executive vice president, worldwide manufacturing of Fluidigm Singapore Pte. Ltd., our Singapore subsidiary, since February 2012, and as managing director of Fluidigm Singapore Pte. Ltd. since March 2006. Ms. Yow served as vice president, worldwide manufacturing, from March 2006 to January 2012. From June 2005 to March 2006, Ms. Yow served as general manager of Fluidigm Singapore Pte. Ltd. From August 2004 to May 2005, Ms. Yow served as vice president engineering (Asia) for Kulicke and Soffa, a public semiconductor equipment manufacturer. From March 1991 to July 2004, Ms. Yow served as director, assembly operations, plant facilities and EHS, for National Semiconductor Singapore, a semiconductor fabrication subsidiary of National Semiconductor Corporation. Ms. Yow received a B.E. in electronic engineering from Curtin University, a certificate in management studies from the Singapore Institute of Management, and a diploma in electrical engineering from Singapore Polytechnic.

Table of Contents

Steven C. McPhail has served as our general manager, production genomics since May 2015. From December 2014 to March 2015, Mr. McPhail was vice president, special projects at Quintiles Transnational Corporation, a biopharmaceutical development and commercial outsourcing services firm. From February 2003 to August 2012, Mr. McPhail was president and chief executive officer of Expression Analysis, Inc., a genomic services company that was acquired by Quintiles Transnational Corporation in August 2012, where Mr. McPhail was president of the post-acquisition operation until December 2014. Prior to Expression Analysis, Inc., Mr. McPhail held various staff and management positions at companies in the diagnostic, biotechnology, and medical device markets, including ArgoMed Inc., Xanthon, Inc., TriPath Imaging Inc., Dynex Technologies, Inc., and Abbott Laboratories. Mr. McPhail serves on the board of visitors of NC Children's Hospital and on the board of trustees of the Carolinas chapter of the Crohn's and Colitis Foundation of America as well as ImproveCareNow, a quality improvement network designed to improve the care and outcomes of children with inflammatory bowel disease. Mr. McPhail received a B.S. in biology from San Diego State University.

Marc Unger, Ph.D., has served as our executive vice president of research & development and marketing since January 2016. Dr. Unger first joined Fluidigm in 2000 as our director of microfluidic research and development. Dr. Unger has also served as our director of research and development from 2002 to 2007, chief scientific officer from 2007 to 2012, chief technology officer from 2012 to 2013 and senior vice president of research and development from 2014 to 2015. Dr. Unger received a Ph.D. in physical chemistry from the California Institute of Technology and a B.S. in chemistry from Union College.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, requires our directors, executive officers, and holders of more than 10% of our common stock to file with the SEC reports regarding their ownership and changes in ownership of our securities. We believe that our directors, executive officers, and 10% stockholders complied with all Section 16(a) filing requirements in 2015, except that Dr. Unger did not timely file a Form 3, which was subsequently filed on August 17, 2015 and that Mr. Worthington did not timely file a Form 4, which was subsequently filed on November 6, 2015. In making these statements, we have relied upon examination of the filings made with the SEC and the written representations of our directors and executive officers.

Fluidigm Policies on Business Conduct

We are committed to the highest standards of integrity and ethics in the way we conduct our business. We have adopted a code of ethics and conduct that applies to our board of directors, officers, and employees, including our chief executive officer and chief financial officer. Our code of ethics and conduct establishes our policies and expectations with respect to a wide range of business conduct, including preparation and maintenance of financial and accounting information, compliance with laws, and conflicts of interest.

Under our code of ethics and conduct, each of our directors, officers, and employees is required to report suspected or actual violations to the extent permitted by law. In addition, we have adopted separate procedures concerning the receipt and investigation of complaints relating to accounting or audit matters. These procedures have been adopted and are administered by our audit committee.

Our code of ethics and conduct is available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>. When required by the rules of the NASDAQ Global Select Market, also referred to as NASDAQ, or the SEC, we will disclose any future amendment to, or waiver of, any provision of the code of ethics and conduct for our chief executive officer, principal financial officer, principal accounting officer, or any member of our board of directors on our website within four business days following the date of such amendment or waiver.

Corporate Governance Principles

Our board of directors has adopted a set of principles that establish the corporate governance policies pursuant to which our board of directors intends to conduct its oversight of our business in accordance with its fiduciary responsibilities. Among other things, these corporate governance principles address the establishment and operation of board committees, the role of our chairman, and matters relating to director independence and performance assessments. Our corporate governance principles are available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>.

Table of Contents

Board Committees

Our board of directors has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee.

Audit Committee. In 2015, our audit committee consisted of directors Patrick S. Jones, Evan Jones, and Gerhard F. Burbach. Patrick S. Jones is the chairman of the audit committee. Our board of directors has determined that each of Patrick S. Jones, Gerhard F. Burbach, and Evan Jones is independent and financially literate under the current rules and regulations of the SEC and NASDAQ, and that Patrick S. Jones qualifies as an audit committee financial expert within the meaning of the rules and regulations of the SEC.

Our audit committee oversees our corporate accounting and financial reporting process and our enterprise risk management process, and assists our board of directors in monitoring our financial systems and our legal and regulatory compliance. Our audit committee is authorized to, among other things:

oversee the work of our independent registered public accounting firm;

approve the hiring, discharge, and compensation of our independent registered public accounting firm;

approve engagements of our independent registered public accounting firm to render any audit or permissible non-audit services;

evaluate the qualifications, independence, and performance of our independent registered public accounting firm;

discuss and, as appropriate, review with management and our independent registered public accounting firm our annual and quarterly financial statements and our major critical accounting policies and practices;

review management's assessment of our internal controls; and

review the adequacy and effectiveness of our internal control policies and procedures.

Our audit committee operates under a written charter approved by our board of directors. The charter is available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>. Our audit committee held 14 meetings during 2015.

Compensation Committee. In 2015, our compensation committee consisted of directors Gerhard F. Burbach, Evan Jones, John A. Young, and Samuel D. Colella. Mr. Burbach has been the chairman of our compensation committee since February 2015. He was preceded as chairman by Mr. Colella. Each member of our compensation committee is an independent director under the applicable rules and regulations of the SEC and NASDAQ and an outside director

as defined pursuant to Section 162(m) of the U.S. Internal Revenue Code, as amended. Furthermore, if required to ensure compliance with Rule 16b-3 under the Exchange Act, a subcommittee of the compensation committee or the board of directors considers and approves the grant of equity awards to our executive officers.

Our compensation committee oversees our corporate compensation programs and is authorized to, among other things:

review the compensation and benefits of our chief executive officer and other executive officers;

review our corporate goals and objectives relevant to compensation of our chief executive officer;

assist our board in providing oversight of the company's overall compensation plans and benefits program; and

administer our equity incentive plans.

Table of Contents

Please see the sections entitled *Compensation of Non-Employee Directors* and *Executive Compensation* for a description of our processes and procedures for the consideration and determination of executive and director compensation.

Our compensation committee operates under a written charter approved by the board of directors, which is available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>. Our compensation committee held six meetings during 2015.

Nominating and Corporate Governance Committee. In 2015, our nominating and corporate governance committee consisted of directors Samuel D. Colella and John A. Young. Mr. Colella is the chairman of the nominating and corporate governance committee. Our board of directors has determined that each of Samuel D. Colella and John A. Young is an independent director under the applicable rules and regulations of the SEC and NASDAQ.

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors and oversees our corporate governance matters. The nominating and corporate governance committee is authorized to, among other things:

evaluate and make recommendations regarding the composition, organization, and governance of the board of directors and its committees;

evaluate the performance of members of the board of directors and make recommendations regarding committee and chair assignments;

recommend desired qualifications for board of directors membership and conduct searches for potential members of the board of directors;

review and recommend board compensation programs for outside directors; and

develop and make recommendations with regard to our corporate governance guidelines.

Our nominating and corporate governance committee operates under a written charter approved by the board of directors, which is available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>. Our nominating and corporate governance committee held four meetings during 2015.

Process for Recommending Candidates to the Board of Directors

No material changes have been made to the procedures by which our stockholders may recommend nominees to our board of directors.

Table of Contents

Item 11. Executive Compensation

Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our named executive officers should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

Overview

The compensation committee of our board of directors is responsible for establishing, implementing, and monitoring adherence with our compensation philosophy. The committee seeks to ensure that the total compensation paid to our executive officers is fair and reasonable. Currently, we have seven executive officers, five of whom are our named executive officers. Details of 2015 compensation for our named executive officers can be found in the section entitled *Executive Compensation Summary Compensation Table*.

This section describes our compensation program for our executive officers and how it applies to our named executive officers specifically. The discussion focuses on our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. We address why we believe our compensation program is appropriate for us and our stockholders and explain how executive compensation is determined.

Objectives and Principles of Our Executive Compensation Program

The primary goal of our executive compensation program is to ensure that we attract, hire, and retain talented and experienced executive officers who are motivated to achieve or exceed our corporate goals. We seek to have an executive compensation program that fosters synergy among our management team, incentivizes our executive officers to achieve our short-term and long-term goals, and fairly rewards our executive officers for corporate and individual performance. In determining the form and amount of compensation payable to our executive officers, we are guided by the following objectives and principles:

Team-oriented approach to establishing compensation levels. We believe that it is critical that our executive officers work together as a team to achieve overall corporate goals rather than focusing exclusively on individual departmental objectives.

Compensation should relate to performance. We believe that executive compensation should be directly linked to corporate as well as individual performance.

Equity awards help executive officers think like stockholders. We believe that our executive officers' total compensation should have a significant equity component because stock-based awards help reinforce the executive officers' long-term interest in our overall performance and align the interests of our executive officers with the interests of our stockholders.

Total compensation opportunities should be competitive. We believe that our total compensation programs should be competitive so that we can attract, retain, and motivate talented executive officers who will help us to perform better than our competitors.

We target total cash compensation for our executive officers, consisting of base salary and cash incentive bonuses, at approximately the 50th percentile of our peer group. Prior to 2016, we targeted long-term equity incentives for our executive officers between the 50th and 75th percentiles of our peer group. For 2016, we targeted equity incentives for our executive officers at approximately the 50th percentile of our peer group, which was reduced to manage available equity under our 2011 Equity Incentive Plan in 2016 and 2017. Except as described herein, our compensation committee has not adopted any formal or informal policies or guidelines for allocating compensation between cash and non-cash compensation, among different forms of non-cash compensation, or with respect to long-term

Table of Contents

and short-term performance. The determination of our compensation committee as to the appropriate use and weight of each component of executive compensation is subjective, based on its views of the relative importance of each component in meeting our overall objectives and factors relevant to the executive officer. An individual executive may be compensated above or below the targeted percentage based on factors such as performance, job criticality, experience and skill set. Since our initial public offering, cash compensation has played an increasing role in our compensation programs as we have sought to align compensation with our peer group. Nevertheless, equity compensation remains a meaningful element of our compensation philosophy.

Role of the Compensation Committee and Executive Officers in Setting Executive Compensation

The compensation committee has principal responsibility for reviewing our executive compensation structure, evaluating the performance of our executive officers relative to our corporate objectives, and considering and approving executive compensation. Members of the compensation committee are appointed by our board of directors. In 2015, our compensation committee consisted of Samuel D. Colella, Evan Jones, John A. Young, and Gerhard F. Burbach. Our compensation committee held five meetings during 2015. Mr. Burbach was appointed as chairman of the compensation committee in February 2015. He was preceded as chairman by Mr. Colella.

Our compensation committee operates under a written charter adopted by our board of directors, which establishes the duties and authority of the compensation committee. A copy of our compensation committee charter is available on our website at <http://investors.fluidigm.com/corporate-governance.cfm>.

The fundamental responsibilities of our compensation committee are to:

assist the board of directors in providing oversight of our compensation policies, plans, and benefits programs;

assist the board of directors in discharging the board's responsibilities relating to oversight of the compensation of our executive officers (including officers reporting under Section 16 of the Exchange Act);

review and make recommendations to the board of directors with respect to executive officer compensation, plans, policies, and programs; and

administer our equity compensation plans for executive officers and employees.

In determining each executive officer's compensation, our compensation committee reviews our corporate financial performance and financial condition and assesses the performance of the individual executive officers. Individual executive officer performance is evaluated by our chief executive officer, in the case of other executive officers, and by the compensation committee, in the case of our chief executive officer. While our chief executive officer provides input on his compensation, he does not participate in compensation committee or board deliberations regarding his own compensation. Our chief executive officer meets with the compensation committee to discuss executive compensation matters and to make recommendations to the compensation committee with respect to other executive officers. The compensation committee may modify individual compensation components for executive officers and is not bound to accept the chief executive officer's recommendations. The compensation committee makes all final compensation decisions for our executive officers. In addition, it is the compensation committee's practice to consult

with the independent members of the board of directors prior to making material changes to our compensation policies.

Although we generally make many compensation decisions in the first quarter of the calendar year, the compensation evaluation process is ongoing. Compensation discussions and decisions are designed to promote our fundamental business objectives and strategy. Evaluation of management performance and rewards is performed annually or more often as needed.

Table of Contents

2015 Advisory Stockholder Vote on Executive Compensation

We value the opinions of our stockholders. At the 2015 annual meeting of stockholders, more than 98% of shares voted on the say-on-pay proposal were in favor of our executive compensation program described in last year’s proxy statement. In light of this strong stockholder support, our compensation committee affirmed our general principles and objectives relating to executive compensation and continues to apply such principles and objectives to our executive compensation program.

Executive Compensation Surveys

Our compensation committee has the authority to engage the services of outside consultants. In 2014 and 2015, the compensation committee directly engaged Radford, an independent compensation consulting firm, as its compensation consultant to review our then-existing executive compensation program, assess the competitiveness of such program, and advise our compensation committee on matters related to executive compensation for 2015 and 2016, respectively.

Among other activities, Radford:

assisted us in identifying a peer group of companies for purposes of benchmarking our levels of compensation, collectively referred to as the benchmark companies;

gathered and analyzed compensation data from available compensation surveys; and

assisted us in assessing the competitiveness of our executive officer compensation program and developing a going-forward equity strategy.

Benchmark Companies

2014 Radford Survey for 2015 Executive Compensation. As directed by our compensation committee, in connection with its 2014 survey, Radford reviewed companies in medical device and biotechnology research-related industries that were comparable to us with respect to size, market capitalization, and revenue based upon information available in public filings and from Radford’s Global Life Sciences Survey. The benchmark companies considered by our compensation committee and Radford as part of their 2015 executive compensation assessments were as follows:

Abaxis	GenMark Diagnostics	Sequenom
ABIOMED	Inogen	SurModics
Accelerate Diagnostics	Luminex	Veracyte
Affymetrix		Zeltiq
	Neogenomics	Aesthetics
AtriCure	Pacific Biosciences	

2015 Radford Survey for 2016 Executive Compensation. As directed by our compensation committee, in connection with its 2015 survey, Radford reviewed companies in medical device and biotechnology research-related industries that were comparable to us with respect to size, market capitalization, and revenue based upon information available

in public filings and from Radford's Global Life Sciences Survey. The benchmark companies considered by our compensation committee and Radford as part of their 2016 executive compensation assessments were as follows:

Abaxis
Accelerate Diagnostics
Affymetrix
AtriCure

GenMark Diagnostics
Inogen

Luminex
NanoString Technologies
Neogenomics

Pacific Biosciences
Quidel
Repligen

Sequenom
SurModics
Veracyte
Zeltiq
Aesthetics

Table of Contents**Elements of Executive Compensation**

The primary components of our executive compensation program are cash compensation, comprised of base salary and an annual incentive bonus plan, and long-term equity incentive awards. In addition, we have entered into severance and change of control agreements with our executive officers and provide our executive officers with health and other benefits that are generally available to all employees.

Cash Compensation

The first component of our executive compensation program is cash compensation, comprised of base salary and an executive bonus plan.

Base Salary

We pay an annual base salary to each of our executive officers in order to provide them with a fixed rate of cash compensation during the year. Our executive compensation philosophy is team-oriented as our success is dependent on our management team's ability to work together to accomplish our corporate objectives. Therefore, we seek to provide our non-CEO executive officers with generally comparable levels of base salary.

2015 Base Salary. In February 2015, our compensation committee reviewed our executive officers' base salaries in light of the 2014 Radford survey and general compensation trends in our industry. The 2014 Radford survey concluded that our 2014 executive base salaries placed us at approximately the 50th percentile of the benchmark companies (with some variation by position), consistent with our total cash compensation target. The compensation committee increased the base salaries of our named executive officers between 3.0% and 6.0%, with the exact percentage based principally on maintaining base salaries at roughly the median for the specific position and based in part on individual performance in 2014. The 2015 base salary increases for our named executive officers were retroactive to January 1, 2015.

2016 Base Salary. In February 2016, our compensation committee reviewed our executive officers' base salaries in light of the 2015 Radford survey and general compensation trends in our industry. The 2015 Radford survey concluded that our 2015 executive base salaries placed us at approximately the 50th percentile of the benchmark companies (with some variation by position), consistent with our total cash compensation target. As a result, base salary increases for the named executive officers in 2016 were modest, and the committee did not approve any increase for our chief executive officer in light of our financial performance in 2015. Ms. Yow's relatively larger increase was based on the performance of our Singapore manufacturing operations in 2015, and Mr. McPhail's relatively smaller increase reflects the fact that he only joined us in 2015. The 2016 base salary increases for our named executive officers were retroactive to January 1, 2016.

Base Salary Summary. The table below provides a summary of the base salaries for our named executive officers in 2015 and 2016:

Named Executive Officers	2015 Base Salary		2016 Base Salary	
	Percentage Increase*	2015 Base Salary	Percentage Increase*	2016 Base Salary
Gajus V. Worthington	3.0%	\$ 504,700	0%	\$ 504,700

<i>President and Chief Executive Officer</i>				
Vikram Jog	3.0%	\$ 329,600	3.0%	\$ 339,500
<i>Chief Financial Officer</i>				
Steven C. McPhail		\$ 333,000**	2.0%	\$ 339,700
<i>General Manager, Production Genomics</i>				
Marc Unger, Ph.D.		\$ 304,500	3.0%	\$ 313,600
<i>Executive Vice President, Research and Development and Marketing</i>				
Mai Chan (Grace) Yow	6.0%	S\$ 403,224	5.0%	S\$ 423,400
<i>Executive Vice President, Worldwide Manufacturing of Fluidigm Singapore Pte. Ltd.</i>				

* Represents percentage of increase over prior year's base salary.

** Amount shown does not represent Mr. McPhail's pro-rated salary for 2015, which was \$216,955, the amount earned from his effective hire date in May to the end of the fiscal year.

Table of Contents

Mr. McPhail and Dr. Unger were not named executive officers prior to 2015.

Base salaries for Ms. Yow are shown in Singapore dollars, the nominal currency in which Ms. Yow is paid.

Ms. Yow's 2015 base salary expressed in U.S. Dollars based on the average exchange rates for the month of December 2015 would have been \$286,329. Ms. Yow's 2016 base salary expressed in U.S. Dollars based on the average exchange rates for the month of December 2015 would have been \$300,656.

Executive Bonus Plan

Our executive bonus plan is intended to provide a significant portion of our executive officers' potential compensation. In contrast to the longer term incentives of equity incentive awards, our bonus program is designed to ensure that our executive officers are focused on our near-term performance and on working together to achieve key identified corporate objectives, typically weighted toward financial objectives, during the applicable fiscal year.

General Terms. Our executive bonus plan creates a structure for our executive officer bonuses from year to year, while allowing the compensation committee to adopt specific programs each year. The executive bonus plan generally provides that executive officers will be eligible for a target bonus based upon the achievement of performance objectives established by the compensation committee. Since 2011, we have established a cash incentive program under the executive bonus plan annually, with payment of awards being determined based all or in part on achievement of performance objectives established by the compensation committee in its discretion. Under this structure, each of our fiscal years constitutes a new performance period under the bonus plan. Corporate goals under the bonus plan have been, and we expect will continue to be, reviewed each year and adjusted to reflect changes in our stage of development, competitive position, and corporate objectives.

Performance Objectives. Under the terms of our bonus plan, any of the following factors may be used as a performance objective:

attainment of research and development milestones	net income, net profit, net sales and/or net revenue
business divestitures and acquisitions	new product development
cash flow and/or cash position	new product invention or innovation
contract awards or backlog	number of customers
customer renewals	operating cash flow, expenses, income and/or margin
customer retention rates from an acquired company, business, unit or division	product defect measures
departmental performance	product release timelines
	productivity
earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings)	profit and/or gross margin
earnings per share	publicity or publication goals
expenses, overhead or other expense reduction	return on assets, capital, equity, investment and/or sales

growth in stockholder value relative to the moving average of the S&P 500 Index or another index	revenue and/or revenue growth sales pipeline and orders
individual objectives such as peer reviews or other subjective or objective criteria	sales results and/or growth stock price
internal rate of return	time to market
market share	total stockholder return
	working capital

As determined by the compensation committee, performance goals may be based on generally accepted accounting principles, also referred to as GAAP, or based on non-GAAP results. Any actual results may be adjusted by the compensation committee for one-time items or unbudgeted or unexpected items when determining whether performance goals have been met. Goals may be evaluated on the basis of any factors the compensation committee determines relevant and may be on an individual, departmental, or company-wide basis. Performance goals may differ from participant to participant under the executive bonus plan and from award to award. In addition, our compensation committee may adjust the bonus pool established under the plan and any actual awards to be made under the plan, which may be at, below, or above targets established under the plan.

Table of Contents

Committee Discretion. Under the executive bonus plan, the compensation committee retains authority to award compensation absent attainment of a relevant performance goal, provide for cash incentive awards in excess of the target base salary percentages, reduce or eliminate awards, or provide for partial payment if performance goals are only partially met, in each case if the compensation committee determines appropriate in its discretion. The compensation committee may determine an adjustment to a bonus payout on the basis of such factors as it deems relevant and is not required to prospectively establish any weighting with respect to the factors it considers. We believe that maintaining this flexibility is helpful in ensuring that executive officers are appropriately compensated for their performance and are neither rewarded nor penalized as a result of unusual circumstances not foreseeable at the time the goals were developed.

2015 Bonus Program. As a part of the 2014 Radford survey on executive compensation, Radford reviewed our 2014 executive bonus plan and concluded that our overall 2014 executive target incentive opportunity of 42.5% of base salary for non-CEO executive officers and 70% for our chief executive officer placed us at approximately the 50th percentile of the benchmark companies.

Bonus Targets. In February 2015, our compensation committee approved target bonuses of 42.5% of base salary for non-CEO executive officers and 70% for our chief executive officer for our 2015 performance period, consistent with our bonus and overall cash compensation targets. Under the 2015 executive bonus plan, no bonuses would be earned unless the established performance goals described below were achieved, and executive officers were eligible to accrue bonuses at up to 147% of their target award in the event of over-performance relative to performance objectives. In addition, the 2015 bonus program provided that the board or compensation committee would grant each participating executive officer an additional restricted stock unit for up to 3,000 shares if accelerated revenue targets were achieved. Any such award would have been made at the discretion of the board or compensation committee following its determination of whether the objective had been achieved. Any such award would then vest over three years from the date of grant, subject to continued service by the executive. For more information regarding the target and maximum bonus that could have been earned by the named executive officers in 2015, see *Grants of Plan Based Awards*.

2015 Corporate Goals. Also in February 2015, our compensation committee approved our 2015 corporate goals, which included: (i) achieving specified annual and quarterly levels of revenue, (ii) successfully launching new products, (iii) achieving specified levels of improvement in sales of consumables, (iv) achieving growth in single-cell product adoption, and (v) achieving specified non-GAAP product margins. The compensation committee believed that these goals were achievable with a high level of executive officer performance. The compensation committee gave greater weighting to achieving our revenue targets and successfully launching new products but retained the discretion to alter these weightings when it ultimately determined bonuses.

2015 Corporate Performance. In February 2016, our compensation committee reviewed our performance in 2015 relative to the corporate objectives identified above. The compensation committee also reviewed each named executive officer's individual performance based in large part on achievements in the functional department overseen by the respective named executive officer. The compensation committee determined that because Fluidigm had not met or exceeded its performance objectives relating to annual and quarterly revenue, no bonuses would be paid for the 2015 performance period under our executive bonus plan.

2016 Bonus Program. In late 2015 and early 2016, our compensation committee, in conjunction with Radford, reviewed our executive bonus programs, including a review of their incentive structures, with an objective of ensuring that our compensation programs promote both short-term and long-term growth. As discussed below, with respect to long-term equity incentive compensation, our compensation committee adopted a performance-based equity incentive program to link equity compensation to short- and long-term financial objectives. With respect to our cash bonus

program, the compensation committee structured the plan for the 2016 performance period with the objective of incentivizing a return to revenue growth and achievement of other strategic objectives. The compensation committee maintained the levels of target awards at 70.0% of base salary for our chief executive officer and 42.5% for the other executive officers, consistent with its philosophy of setting bonus and total cash compensation at approximately the median of our peer group.

Table of Contents

Bonus Plan Structure. For the 2016 corporate performance period, our bonus plan will be weighted 70% toward corporate revenue goals and 30% toward strategic business objectives (described below). With respect to the corporate revenue goal weighting, bonuses may be earned at 50% of target if a minimum threshold revenue is achieved, increasing on a linear basis such that 100% of the bonus award target is earned at target revenue and continuing up to a maximum of 130% of the bonus award target for substantial over-performance relative to the revenue target. No bonuses will be paid under the executive bonus program for 2016, including with respect to strategic business objectives, if the minimum threshold revenue condition is not achieved. The compensation committee set the threshold level of revenue at an amount intended to ensure that no bonuses would be paid unless management successfully returns Fluidigm to credible revenue growth in 2016. In addition, the compensation committee, with the recommendation of our chief executive officer, set the target revenue objective at a level that it believed to be aggressive but achievable.

2016 Corporate Goals. Our compensation committee has approved our corporate revenue goals and strategic business objectives for the 2016 performance period, which consisted of a corporate revenue goal of achieving a specified annual revenue and the following strategic business objectives: successfully launching new products and having a certain level of cash, cash equivalents and investments at the end of the year. The compensation committee believes that these goals will be achievable with a high level of executive officer performance. As indicated above, the compensation committee has given a greater weighting to achieving our revenue targets but maintains discretion to alter the weightings among various objectives when it ultimately determines bonuses.

Long-Term Equity Incentive Awards

The second component of our executive compensation program includes long-term equity incentive awards. We believe that equity awards are an effective means of aligning the interests of executive officers and stockholders, rewarding executive officers for the company's success over the long term, and providing executive officers an incentive to remain with us. We have historically granted equity awards to new executive officers upon the commencement of their employment and consider additional grants to existing executive officers annually, based on our overall corporate performance, individual performance, and the executive officers' existing equity grants and equity holdings. We target long-term incentive compensation for our executive officers between the 50th and 75th percentiles of our peer group.

Forms of Equity Awards

Prior to 2014, our executive officers and employees received equity awards only in the form of time-based stock option grants. In 2014, the compensation committee determined that it was appropriate to begin granting time-based restricted stock units in addition to stock options for both employees and executive officers based upon several factors, including the results of the 2013 Radford survey, which noted that approximately 50% of the benchmark companies granted their executive officers a mix of stock options and restricted stock units, with less than 15% of such companies granting equity awards to executive officers solely in the form of stock options; the competitive dynamics of the markets in which we recruit, with most of our larger competitors offering full value awards in the form of restricted stock units; and the more favorable dilutive impact of restricted stock units relative to stock option grants. To remain competitive in our market while furthering our executive compensation principles of directly linking executive compensation to corporate performance, reinforcing our executive officers' long-term interest in our overall performance, and aligning the interests of our executive officers with the interests of our stockholders, our compensation committee determined that equity awards would be granted to executive officers comprised of stock options and restricted stock units, typically with a ratio of one restricted stock unit relative to 2.5 stock options granted. Subsequent to the end of 2015, the compensation committee determined it was appropriate to supplement time-based equity awards with equity awards that require certain performance-based goals to be met as a condition for

any vesting. Under this approach, an executive officer is at risk with respect to the performance-based equity award unless specified performance is achieved. In particular, the compensation committee established the performance-based vesting conditions based on near-term and longer-term revenue objectives. If the performance-based conditions under these awards are achieved (as determined by the board or our compensation committee), a portion of the award will immediately vest and the balance of the award will commence vesting based on continued service. Similar to the structure of our 2016 executive bonus plans, the compensation committee set the revenue thresholds under the performance-based awards at levels intended to incentivize a return to credible growth rates and to reward substantial over-performance.

Table of Contents***Grants of Equity Awards***

2015 Grants. As a part of the 2014 Radford survey on executive compensation, Radford reviewed the stock options awarded to our executive officers in 2014 as described above. Radford's review concluded that, based on the value of stock options awarded to our executive officers in 2014, our executive equity compensation placed us at or above the 75th percentile of the benchmark companies. The Radford study found that the value of 2014 equity awards to our executive officers, based upon the grant date fair value of the awards, grew by over 100% from the previous year's awards, thus outpacing the 75th percentile of benchmark companies. However, the quantity of equity awarded to our executive officers as a percent of total shares outstanding placed us between the 25th and 50th percentile of the benchmark companies. Based upon the level of attainment of our 2014 corporate goals, each executive officer's individual and departmental performance in 2014, and information provided by 2014 Radford survey, our compensation committee approved the stock option and restricted stock unit awards to certain named executive officers in February 2015 and subsequently to certain other named executive officers later in 2015 as set forth in the table below captioned *Grant Summary*.

2016 Grants. As a part of the 2015 Radford survey on executive compensation, Radford reviewed the stock options and restricted stock units awarded to our executive officers in 2015 as described above. Radford's review concluded that, based on the grant date fair value of stock options and restricted stock units awarded to our executive officers in 2015, our executive equity compensation generally placed us between the 50th and 75th percentile of the benchmark companies. For 2016, our compensation committee targeted executive equity compensation at approximately the 50th percentile, which was reduced to manage available equity under our 2011 Equity Incentive Plan in 2016 and 2017. Half of the equity awards made to executive officers in February 2016 are subject to the corporate performance conditions described above. The stock options and restricted stock units awarded to our named executive officers in 2016 are set forth in the following table.

Grant Summary. The table below provides a summary of grants of equity awards to our named executive officers in 2015 and February 2016:

Named Executive Officer	2015		2016		Performance-based Restricted Stock Units(5)
	Stock Options	Restricted Stock Units	Time-based Stock Options(3)	Restricted Stock Units(4)	
Gajus V. Worthington	31,110(1)	12,440(2)	33,750	13,500	33,750
<i>President and Chief Executive Officer</i>					
Vikram Jog					