UNITED THERAPEUTICS Corp
Form DEF 14A
April 27, 2018

Use these links to rapidly review the document
TABLE OF CONTENTS

Table of Contents

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

United Therapeutics Corporation

(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):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

1040 Spring Street
Silver Spring, MD 20910

55 T.W. Alexander Drive
Research Triangle Park, NC 27709

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2018 annual meeting of shareholders of United Therapeutics Corporation will be held at our co-headquarters located at 1110 Spring Street, Silver Spring, Maryland 20910, on Tuesday, June 26, 2018, at 9:30 a.m. local time for the following purposes:

1. To elect the four Class I directors named in the Proxy Statement and nominated by our Board of Directors to serve three-year terms until the 2021 annual meeting of shareholders and until their successors are duly elected and qualified or until their office is otherwise vacated;

2. To vote on an advisory resolution to approve executive compensation;

3. To approve the amendment and restatement of the United Therapeutics Corporation 2015 Stock Incentive Plan;

4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018; and

5. To consider and act upon such other business as may properly come before the annual meeting of shareholders and any adjournment or postponement thereof.

Only shareholders as of April 30, 2018 are entitled to notice of, and to vote at, our 2018 annual meeting of shareholders.

Important Notice Regarding the Availability of Proxy Materials for United Therapeutics Corporation's 2018 Annual Meeting of Shareholders to Be Held on Tuesday, June 26, 2018:

United Therapeutics Corporation's Proxy Statement and Annual Report on Form 10-K are available at:
***http://ir.unither.com/annual-and-proxy*.**

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, YOU ARE REQUESTED TO VOTE YOUR SHARES AS PROMPTLY AS POSSIBLE SO THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. ALL SHAREHOLDERS ARE EXTENDED A CORDIAL INVITATION TO ATTEND THIS MEETING. If you wish to attend the meeting in person, you will be asked to present your admission ticket and valid, government-issued photo identification, such as a driver's license, as described in the Proxy Statement.

Please refer to page 24 of the Proxy Statement for a letter from the Chairman of our Compensation Committee of our Board of Directors.

By Order of the Board of Directors,

Paul A. Mahon
Corporate Secretary

May 1, 2018
Silver Spring, Maryland
Research Triangle Park, North Carolina

TABLE OF CONTENTS

Table of Contents

Table of Contents

UNITED THERAPEUTICS CORPORATION

1040 Spring Street
Silver Spring, MD 20910

55 T.W. Alexander Drive
Research Triangle Park, NC 27709

PROXY STATEMENT FOR THE 2018 ANNUAL MEETING OF SHAREHOLDERS

INFORMATION ABOUT THE MEETING, VOTING AND PROXIES

General

This Proxy Statement and the accompanying proxy card are being furnished to shareholders of United Therapeutics Corporation in connection with the solicitation by our Board of Directors (Board) of proxies to be voted at our 2018 annual meeting of shareholders (Annual Meeting) and any adjournment or postponement thereof. Our Annual Meeting will be held on Tuesday, June 26, 2018, beginning at 9:30 a.m. local time at our co-headquarters located at 1110 Spring Street, Silver Spring, Maryland 20910. Proxy materials or a Notice of Internet Availability of Proxy Materials (Notice) were first sent to shareholders on or about May 7, 2018.

Record Date and Outstanding Shares

On April 30, 2018 (the Record Date), there were approximately 43,544,022 shares of our common stock outstanding and entitled to vote at our Annual Meeting. Only shareholders of record on the Record Date will be entitled to vote, either in person or by proxy, at our Annual Meeting, and each share will have one vote for each director nominee and one vote for each other matter to be voted on. If you are a beneficial owner of shares of our common stock (that is, you hold shares through a broker, bank, trust or other nominee), you must obtain a legal proxy from the broker, bank, trust or other nominee that holds your shares if you wish to vote in person at the meeting.

Internet Availability of Proxy Materials

As permitted by the rules of the Securities and Exchange Commission, we are making our proxy materials available to shareholders primarily via the Internet, rather than mailing printed copies of these materials to shareholders. On or about May 1, 2018, we sent to many of our shareholders a Notice containing instructions on how to access and review our proxy materials, including our Proxy Statement and the 2018 Annual Report on Form 10-K, and vote online.

This process is designed to expedite shareholders' receipt of proxy materials, lower the cost of the annual meeting, and help conserve natural resources. If you received a Notice by mail, you will not receive a printed copy of the proxy materials unless you request one. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. Shareholders who requested paper copies of the proxy materials did not receive the Notice and will receive the proxy materials in the format requested.

Solicitation

We will bear the cost of soliciting proxies. Our directors, officers and employees may solicit proxies in person or by telephone, fax, email or regular mail, and they will receive no additional compensation for such work. Copies of solicitation materials may be furnished to brokers, custodians, nominees and other fiduciaries for forwarding to beneficial owners of shares of our common stock, and normal handling charges may be paid for such forwarding service. We have also retained Georgeson Inc. to assist in soliciting proxies for a fee of approximately $12,000 plus customary expenses.

Table of Contents

Voting Rights and Quorum

Shares can be voted at our Annual Meeting only by shareholders who are present in person or represented by proxy. Whether or not you plan to attend our Annual Meeting in person, you are encouraged to vote your shares. The representation in person or by proxy of at least a majority of the outstanding shares entitled to vote is necessary to achieve a quorum for the transaction of business at the Annual Meeting.

If you are a shareholder of record (that is, you hold shares in your own name), you may revoke any proxy given pursuant to this solicitation at any time before it is exercised by delivering to the Corporate Secretary of United Therapeutics Corporation at 1040 Spring Street, Silver Spring, Maryland 20910 a written notice of revocation or a fully executed proxy bearing a later date, or by attending the Annual Meeting and voting in person. If you are a beneficial owner (that is, you hold shares through a broker, bank, trust or other nominee), please contact your bank or broker to revoke a previously given proxy or change your voting instructions.

If you are a beneficial owner, your broker, bank, trust or other nominee has the discretion to vote on routine corporate matters presented in the proxy materials without your specific voting instructions. Your broker, bank, trust or other nominee does not have the discretion to vote on non-routine matters. Only Proposal No. 4 (ratification of the appointment of our independent registered public accounting firm) is considered a routine matter. Proposals No. 1, 2 and 3 are not considered routine matters, and without your specific voting instructions your shares will not be voted on these proposals.

Abstentions and "broker non-votes" (i.e., shares held by brokers, banks, trusts or other nominees that are represented at the meeting but with respect to which they have no discretionary power to vote on a particular matter and have received no instructions from the beneficial owners thereof) will be counted as present in determining whether the quorum requirement is satisfied.

Proxy

If the enclosed proxy card is properly executed and returned prior to the Annual Meeting, the shares represented by the proxy card will be voted in accordance with the shareholder's directions. If the proxy card is signed and returned without any direction given, shares of our common stock represented by the proxy will be voted in accordance with our Board's recommendations as follows: (i) **FOR** the election of each of the four director nominees named on the proxy card; (ii) **FOR** the advisory resolution to approve executive compensation; (iii) **FOR** the approval of the amendment and restatement of the United Therapeutics Corporation 2015 Stock Incentive Plan; and (iv) **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018.

Voting Requirements

Election of Directors

Directors are elected by a majority of votes cast at our Annual Meeting. A majority of votes cast means that the number of votes cast for the director nominee's election must exceed the number of votes cast against that director nominee's election. Broker non-votes and abstentions are not considered votes cast and therefore have no impact on the election of directors. Cumulative voting is not permitted in the election of directors. Proxies may not be voted for more than four nominees.

All Other Proposals to Be Voted On

The affirmative vote of the holders of a majority of the outstanding shares of common stock present, in person or by proxy, at our Annual Meeting, and entitled to vote on the matter, is required for approval of each of the other proposals to be voted on at the meeting. Abstentions have the same effect as an "against" vote. Broker non-votes, if any, have no impact on the vote.

Table of Contents

PROPOSAL NO. 1
ELECTION OF DIRECTORS

Our Board consists of ten members and is divided into three classes of three or four members each. At each annual meeting of shareholders, members of one of the classes, on a rotating basis, are elected to a three-year term. This year at our Annual Meeting, Professor Katherine Klein, Mr. Ray Kurzweil, Dr. Martine Rothblatt and Dr. Louis Sullivan are nominees for election as Class I directors to serve three-year terms until our 2021 annual meeting of shareholders or until their successors are duly elected and qualified or their office is otherwise vacated.

Each of our director nominees has consented to be named herein and to continue to serve on our Board of Directors, if elected. We do not anticipate that any nominee will become unable or unwilling to accept his or her nomination or election. If such an event should occur, the persons named on the proxy card intend to vote for the election of such other person as is recommended to our Board by our Nominating and Governance Committee in such nominee's stead. In the alternative, the persons named on the proxy card may simply vote for the remaining nominees, leaving a vacancy that may be filled at a later date by our Board of Directors, or our Board of Directors may reduce the size of our Board.

We believe that our directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the best interests of our shareholders. We also endeavor to have a Board of Directors that, as a whole, represents a range of experiences in business, government, education and technology and in other areas that are relevant to our business activities. In addition, our Board believes there are certain attributes every director should possess, which are described in the *Director Nominations and Diversity* section below.

In evaluating incumbent directors for re-nomination to our Board, the members of our Nominating and Governance Committee consider a variety of factors. These include each director's independence, financial literacy, personal and professional accomplishments, tenure on our Board and experience in light of our business goals. The following presents information concerning persons nominated for election as directors at our Annual Meeting and for those of our directors whose terms of office will continue after our Annual Meeting, including their age (as of the date of this Proxy Statement), membership on committees of our Board, principal occupations or affiliations during the last five years or more, director qualifications, and certain other directorships held. For additional information concerning the director nominees, including stock ownership and compensation, see the section entitled *Non-Employee Director Compensation* and the *Beneficial Ownership of Common Stock* table below.

Table of Contents

Nominees as Class I Directors for Election at our 2018 Annual Meeting of Shareholders

Katherine Klein, Ph.D.
Age 61

Professor Klein has served as the Vice-Dean of the Wharton Social Impact Initiative since July 2012, and as The Wharton School's Edward H. Bowman Professor of Management since 2005. She also served as Professor of Management of The Wharton School from 2004 to 2005. Prior to joining Wharton, Professor Klein was on the faculty of the University of Maryland and a visiting professor at the Stanford Graduate School of Business. She received her B.A. from Yale University, and her Ph.D. in Community Psychology from the University of Texas at Austin. An award-winning organizational psychologist, Professor Klein has conducted extensive field research regarding a range of topics including team leadership, climate, conflict, social networks and effectiveness; organizational change and technology implementation; employee diversity; and employee responses to stock ownership. She has taught executive education and consulted with and studied a variety of for-profit and non-profit organizations including Charles Schwab, Rohm and Haas, North American Scientific, Medtronic, The Baltimore Shock Trauma Center, Penn Vet, the U.S. Census Bureau, and the Korean Management Association. Her research has been published in numerous top journals including Administrative Science Quarterly, Journal of Applied Psychology, the Academy of Management Journal, and the Academy of Management Review. She is also a former associate editor of the Journal of Applied Psychology and Administrative Science Quarterly. Professor Klein is a Fellow of the Academy of Management, the Society for Industrial and Organizational Psychology, the American Psychological Association, and the Association for Psychological Science. She has served as a United Therapeutics director since 2014.

As a professor and Vice-Dean at one of the world's leading business schools, Professor Klein brings valuable expertise in organizational behavior and employee ownership culture, two topics that are of vital importance to a growing biotech company like United Therapeutics. As we adapt to the needs of a more mature company while balancing our goal of maintaining an entrepreneurial culture designed to foster continued high growth and innovation, Professor Klein provides valuable insight to our Board.

Table of Contents

Ray Kurzweil **Age 70**	Mr. Kurzweil is an inventor, entrepreneur and author, and has created several important technologies in the artificial intelligence field. He has received the National Medal of Technology, the MIT Lemelson Prize, twenty-one honorary doctorates, a Grammy award for his contributions to music technology, and honors from three U.S. Presidents. In 2002, Mr. Kurzweil was inducted into the National Inventors Hall of Fame. Since 1995, Mr. Kurzweil has served as the Chief Executive Officer of Kurzweil Technologies, Inc., a technology development firm. Since January 2013, he has also served as a Director of Engineering for Google Inc., a global technology and Internet search company. He has served as a United Therapeutics director since 2002. *Mr. Kurzweil brings to our Board extensive technological experience as an inventor and technology developer. His technical experience in the areas of artificial intelligence, telemedicine, and pharmaceutical research and development, and his experience in building businesses around his inventions, provide our Board with perspective in evaluating current and proposed technologies and business opportunities. Mr. Kurzweil also brings to our Board substantial corporate leadership experience from his role as Chief Executive Officer of Kurzweil Technologies, Inc.*
Martine Rothblatt, Ph.D., J.D., M.B.A. **Age 63** ***Chairman of the Board*** ***Chief Executive Officer***	Dr. Rothblatt founded United Therapeutics in 1996 and served as Chairman and Chief Executive Officer since its inception through January 2015, when she became our Chairman and Co-Chief Executive Officer. She was promoted to her current role as Chairman and *soul* CEO in June 2016. Prior to founding United Therapeutics, she founded and served as Chairman and Chief Executive Officer of Sirius XM Satellite Radio. She is a co-inventor on six of our patents pertaining to treprostinil. In 2014, Dr. Rothblatt was appointed to the Committee of Science, Technology and Law of the National Research Council. She has served as a United Therapeutics director since 1996. *Dr. Rothblatt brings to our Board extensive leadership and business experience at technology companies, as well as in-depth knowledge of our company from her service as our founder, Chairman and Chief Executive Officer. She also has substantial knowledge of medical ethics, having obtained her Ph.D. in medical ethics from the University of London.*

Table of Contents

Louis Sullivan, M.D.

Age 84

***Member*, Compensation Committee**

***Member*, Nominating and Governance Committee**

Dr. Sullivan was the founding President of Morehouse School of Medicine, from 1981 to 1989, served as President again from 1993 to 2002, and became President Emeritus in 2002. Dr. Sullivan was also one of the founders and served as Chairman of Medical Education for South African Blacks, Inc., a member of the National Executive Council for the Boy Scouts of America, and a member of the Board of Trustees of Little League of America. Dr. Sullivan served as Secretary of the U.S. Department of Health and Human Services from 1989 to 1993. He is a physician certified in internal medicine with a subspecialty certification in hematology. Dr. Sullivan currently serves on the board of directors of Emergent BioSolutions, Inc. (since 2005), a publicly-traded company. He also serves as Co-Chair of the Henry Schein Cares Foundation. Dr. Sullivan previously served on the boards of directors of a wide range of public companies, including General Motors Company, BioSante Pharmaceuticals, Inc., Bristol-Myers Squibb Company, Cigna Corporation, 3M Company, Henry Schein, Inc., Household International (now HSBC), Equifax and Georgia Pacific Corporation. He has served as a United Therapeutics director since 2002.

Dr. Sullivan brings to our Board extensive experience in the healthcare industry as a public official from his service as a Secretary of the U.S. Department of Health and Human Services, physician certified in internal medicine and professor and administrator at Morehouse School of Medicine. He also has substantial public company board experience gained from his service as a director of Henry Schein, Inc. and Emergent BioSolutions, Inc. as well as his previous public company board service.

Table of Contents

Class II Directors Continuing in Office with Terms Ending in 2019

Christopher Causey, M.B.A.
Age 55
***Chairman,* Compensation Committee**
***Member,* Nominating and Governance Committee**

Mr. Causey has served as the Principal of the Causey Consortium, a professional services organization providing business strategy and marketing counsel to the healthcare industry, since 2002. Previously, Mr. Causey served as a senior marketing officer for a variety of healthcare companies. From 2001 to 2002, Mr. Causey served as the Chief Marketing Officer for Definity Health Incorporated. He was also a member of the board of directors of Data Sciences International, Inc., a private company that develops wireless physiological monitoring solutions, from 2008 to 2013. Mr. Causey has served as a United Therapeutics director since 2003.

Drawing upon over 20 years of experience in strategic planning and marketing for health care delivery, financing and biotechnology organizations, including as Principal of Causey Consortium, Mr. Causey brings to our Board substantial experience in the health care and biotech industries. Our Board benefits from Mr. Causey's extensive leadership experience as a senior health care marketing executive.

Richard Giltner
Age 54
***Chairman,* Audit Committee**
***Member*, Nominating and Governance Committee**

From 2009 until his retirement in 2010, Mr. Giltner was a portfolio manager at Lyxor Asset Management, an asset management group at the French bank Société Générale. From 2006 until 2009, he served as a managing director of Société Générale Asset Management, an international fund management firm, and head of the European office for its fund of hedge funds group. From 2003 to 2006, Mr. Giltner was the global head of foreign exchange options for the investment banking arm of Société Générale. He also held various other managerial positions within Société Générale from 1991 until 2003. Mr. Giltner has been a private investor since his retirement from Société Générale in 2010. Our Board of Directors has determined that Mr. Giltner is an audit committee financial expert as defined under the rules and regulations of the Securities and Exchange Commission (SEC) and meets the financial sophistication requirements of Nasdaq's listing standards. Mr. Giltner has served as a United Therapeutics director since 2009.

Mr. Giltner brings to our Board over twenty years of experience in the financial sector, including international financial markets, financial derivatives, alternative investments and asset management. As our business continues to grow and expand, our Board benefits from Mr. Giltner's global business and financial experience and his perspective as an institutional investor as well as his leadership experience in international finance from his service in various management roles at Société Générale.

Judy Olian, Ph.D.
Age 66
***Member*, Compensation Committee**

Dean Olian is the dean of the UCLA Anderson School of Management and the John E. Anderson Chair in Management. Her research and business expertise centers on aligning organizational strategies and design with human resource systems and incentives, and managing top management teams. She began her UCLA appointment in 2006 after serving as dean and professor of management at the Smeal College of Business Administration at the Pennsylvania State University. Earlier, she served in various faculty and executive roles at the University of Maryland and its Robert H. Smith School of Business. Dean Olian serves or has been a member of various advisory boards (including the U.S. Studies Centre at the University of Sydney, Peking University Business School's International Advisory Board and Catalyst, a leading global think tank for women in business), and is Chairman of the Loeb Awards for Business Journalism. Born and raised in Australia, Dean Olian received her B.S. in Psychology from the Hebrew University, Jerusalem and her M.S. and Ph.D. in Industrial Relations from the University of Wisconsin, Madison. She was the Chairman of AACSB International, the premier thought leadership and accreditation organization for leading global business schools, and also serves on the board of directors of Ares Management, L.P., a publicly-traded global alternative asset management firm, and UCLA Technology Development Corporation, a not-for-profit organization focused on protecting and optimizing the discoveries and inventions developed at UCLA. She has served as a United Therapeutics director since 2015.

As the dean of one of the world's leading business schools, Dean Olian brings valuable expertise in managing and leading a large organization. Her academic expertise, which centers on the alignment of organizational strategies with human resource systems and incentives, provides valuable insight to a growing biotech company like United Therapeutics. In addition, her experience as a director of Ares Management provides valuable public company board experience.

Table of Contents

Class III Directors Continuing in Office with Terms Ending in 2020

Raymond Dwek, C.B.E., F.R.S.
Age 76

Professor Dwek is a Fellow of the Royal Society, London, and has served as Director of the Glycobiology Institute at the University of Oxford since 1988. He also served as Professor of Glycobiology at the University of Oxford from 1988 through 2009, and currently serves as Professor Emeritus. He was President of the Institute of Biology (a professional organization) from 2008 through 2010. From 2000 to 2006, Professor Dwek served as head of the Department of Biochemistry at the University of Oxford. Professor Dwek has been serving in various positions at the University of Oxford since 1966. In 1988, Professor Dwek was the scientific founder of Oxford GlycoSciences PLC, which was publicly traded on the London Stock Exchange and Nasdaq, and he served as a member of its Board of Directors until its sale in 2003. He was the 2007 Kluge Chair of Technology and Society at the U.S. Library of Congress. Professor Dwek is the founder of glycobiology, the study of the structure, biosynthesis and biology of sugar chains attached to proteins. He has served as a United Therapeutics director since 2002.

Professor Dwek has extensive scientific experience as both head of the Department of Biochemistry at the University of Oxford, one of the world's largest biochemistry departments, and as a biotechnology innovator at organizations such as the Glycobiology Institute and Oxford GlycoSciences PLC. In evaluating existing and potential new programs, our Board benefits from his scientific insight and experience in pharmaceutical research and development.

Table of Contents

Christopher Patusky, J.D., M.G.A.
Age 54
Vice Chairman of the Board
Lead Independent Director
***Chairman*, Nominating and Governance Committee**
***Member*, Audit Committee**
***Member*, Compensation Committee**

Mr. Patusky has more than 25 years of experience in the private, public and nonprofit sectors. After graduating from The Harvard Law School, he clerked and practiced law from 1988 to 2000, focusing on litigation, intellectual property, and business startups. After receiving a master's degree in governmental administration from the University of Pennsylvania, Mr. Patusky served from 2002 to 2007 as the Executive Director and member of the faculty of the University of Pennsylvania's Fels Institute of Government. From 2007 to 2011, he served as the Director of the Office of Real Estate and member of the Senior Policy Team at the Maryland Department of Transportation, staying on in a part-time capacity until 2013. Since 2012, Mr. Patusky has served as the founding principal of Patusky Associates, LLC, which serves as a personal investment and consulting vehicle, and as an executive manager of Slater Run Vineyards, LLC, his family's farm-based vineyard and winery. Our Board of Directors has determined that Mr. Patusky meets the financial sophistication requirements of Nasdaq's listing standards. He has served as a United Therapeutics director since 2002.

Mr. Patusky brings to our Board extensive legal and business experience from his law career, and governance experience from his former position as an administrator and faculty member at the Fels Institute of Government. Mr. Patusky also brings to our Board familiarity with governmental regulation and relations between the government and the private sector due to his leadership experience in state government in the Maryland Department of Transportation. His responsibilities at the Fels Institute and the Maryland Department of Transportation included significant budgetary management and oversight responsibilities.

Table of Contents

Tommy Thompson, J.D.
Age 76
***Member*, Audit Committee**

Before entering the private sector in 2005, Governor Thompson enjoyed a long and distinguished career in public service. As Secretary of the U.S. Department of Health and Human Services from 2001 to 2005, he was a leading advocate for the health and welfare of all Americans. He also served four terms as Governor of Wisconsin from 1987 to 2001. Governor Thompson served as a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP in Washington, D.C. from 2005 until January 2012. Governor Thompson has served as Chairman and Chief Executive Officer of Thompson Holdings, a consulting firm, since 2012. In 2017, Governor Thompson became an Adjunct Senior Advisor to Akin Gump. From 2005 to 2009, he also served as the Independent Chairman of the Deloitte Center for Health Solutions, which researches and develops solutions to some of our nation's most pressing health care and public health related challenges. He also served as chairman of the board of directors of AGA Medical Holdings, Inc. from 2005 until 2010, and is a member of the boards of directors of Centene Corporation, Physicians Realty Trust, Tyme Technologies, Inc. and TherapeuticsMD, Inc. He previously served on the boards of numerous other public companies, including Cancer Genetics Inc., CareView Communications, Inc., CNS Response, Inc., C.R. Bard, Inc., Cytori Therapeutics, Inc., SpectraScience and X Shares Advisors. Our Board has determined that Governor Thompson meets the financial sophistication requirements of Nasdaq's listing standards. Governor Thompson has served as a United Therapeutics director since 2010.

Governor Thompson brings to our Board experience in the healthcare industry, both as a public official (former Secretary of the U.S. Department of Health and Human Services) and in the private sector (Deloitte Center for Health Solutions), as well as public company board experience (AGA Medical Holdings, Inc., CareView Communications, Inc., Centene Corporation, C.R. Bard, Inc., Cytori Therapeutics, Inc., SpectraScience, CNS Response, Inc., Physicians Realty Trust, TherapeuticsMD, Inc., Tyme Technologies, Inc. and X Shares Advisors) and knowledge of legislative affairs. Governor Thompson's legal experience from his private practice at Akin Gump Strauss Hauer & Feld LLP also is useful in our Board's oversight of our legal and regulatory compliance.

BOARD OF DIRECTORS, COMMITTEES, CORPORATE GOVERNANCE

The Role of our Board: Risk Oversight

Our Board is responsible for overseeing the risks facing our company. Our Board works directly with our executive officers and other members of our senior management team in carrying out its risk oversight function. Our directors take a proactive, interested and detailed approach to their service on our Board and set expectations to promote our success through the achievement of business objectives while maintaining high standards of responsibility and ethics. At its regularly scheduled meetings, our Board receives reports from our Chairman and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer and General Counsel, and may also receive reports from the Committee Chairmen, outside consultants and other members of senior management, among others. These presentations often include identification and assessment of risks our company currently faces or may face in the future. Our Board is able to ask questions, discuss and provide guidance to management on the risks presented, as well as any risks that our Board identifies. Our senior management team is responsible for assessing risk on a daily basis. Our Board expects that our senior management team continually identifies, assesses and manages the short-term and long-term risks faced by our company. If members of our senior management team identify risks that are material to our company, our Board may convene a special meeting to discuss, assess and address such risks.

Our Board implements its risk oversight function both as a whole and through delegation to various committees. These committees meet regularly and report back to the full Board. Our Audit Committee's responsibilities include general oversight of our company's practices with respect to financial risk assessment and management. Our Compensation Committee's duties include overseeing an assessment of the incentives and risks arising from or related to our compensation policies and practices, including but not limited to those applicable to our executive officers, and evaluating whether those incentives and risks are appropriate. Our Nominating and Governance Committee's responsibilities include oversight of our company's practices with respect to legal and regulatory compliance risk.

In April 2018, our Compensation Committee reviewed a risk assessment conducted by management and our Compensation Committee's independent compensation consultant, Radford, an Aon Hewitt company (Radford), to determine whether the design of our employee compensation programs and the amounts and components of employee compensation might create incentives for excessive risk-taking by our employees. Based on this review, our Compensation Committee concluded that the risks arising from our employee compensation programs are not reasonably likely to have a material adverse effect on our company. Our Compensation Committee believes that our compensation programs encourage employees, including our executives, to remain focused on a balance of the short-term and long-term operational and financial goals of our company, thereby reducing the potential for actions that involve an excessive level of risk. See the section entitled *Compensation Discussion and Analysis Key Governance Features of Our Executive Compensation Program* for information regarding certain risk-mitigating features of our compensation programs.

Board of Directors Leadership

Dr. Rothblatt, who founded our company, presently serves as Chairman of our Board and Chief Executive Officer. Our Board believes that the combined role of Chairman and Chief Executive Officer is an appropriate leadership structure for our company. In this regard, having a combined Chairman and Chief Executive Officer provides an efficient and effective leadership model for a growing entrepreneurial company like ours, as it fosters clear accountability, effective decision-making, and alignment on corporate strategy. In addition, because our Board works closely with our executive officers and members of senior management, there is a natural synergy in the combined Chairman and Chief Executive Officer role that facilitates our Board's guidance of management.

Table of Contents

The independent directors on our Board have designated Mr. Patusky as Lead Independent Director. The Lead Independent Director is selected annually by the independent directors. Among other responsibilities, our Lead Independent Director coordinates the activities of our independent directors, approves Board meeting schedules and agendas, chairs all meetings of our Board when the Chairman is not present, including executive sessions of our independent directors, and serves as principal liaison between our independent directors and our Chairman and senior management. The Lead Independent Director also has the authority to call executive sessions of the independent directors and is available for consultation and communication with major shareholders. A more detailed description of the responsibilities of the Lead Independent Director is included in our Corporate Governance Guidelines, which are available on our website at *http://ir.unither.com/corporate-governance*.

Director Nominations and Diversity

The Nominating and Governance Committee of our Board does not have a formal policy with respect to considering director candidates or director diversity. Once our Nominating and Governance Committee identifies a potential director nominee, it screens the candidate, performs reference checks and conducts interviews with the assistance of our General Counsel. If the outcome of that process is favorable, our Nominating and Governance Committee may recommend the candidate to our Board for consideration.

Our Nominating and Governance Committee considers candidates recommended by shareholders and evaluates them using the same criteria as it uses to evaluate all other candidates. Our Nominating and Governance Committee seeks to recommend director candidates who will enhance the quality of our Board's deliberations and decisions, who will take their duties seriously and who will promote the values and ethics to which we subscribe.

A shareholder who wishes to recommend a prospective nominee for our Nominating and Governance Committee's consideration should submit the candidate's name and qualifications to our Corporate Secretary at the address set forth under *Shareholder Communication with Directors* below.

Minimum Criteria for Director Candidates

To be considered by our Nominating and Governance Committee, a director candidate must meet the following minimum criteria:

- Personal and professional integrity;
- A record of exceptional ability and judgment;
- Ability and willingness to participate fully and work constructively in Board activities, including active participation in meetings of our Board and any committees to which he or she is assigned;
- Interest, capacity and willingness, in conjunction with the other members of our Board, to serve the interests of our shareholders;
- Reasonable knowledge of the fields of our operations, as well as familiarity with the principles of corporate governance;
- Expertise to serve on one or more committees of our Board; and
- Absence of any personal or professional relationships that would adversely affect his or her ability to serve our best interests and those of our shareholders.

Table of Contents

Additional Qualities and Skills for Director Candidates

In addition, our Nominating and Governance Committee is interested in candidates who possess the following skills:

- The ability to contribute to the variety of opinions, perspectives, personal and professional experiences and backgrounds, as well as other characteristics that differ among members of our Board;

- A desire to contribute positively to the existing tone and collaborative culture among our Board members; and

- Professional and personal experiences and expertise relevant to achievement of our strategic objectives.

Our Nominating and Governance Committee's evaluation of director nominees considers their ability to contribute these qualities and skills to our Board, and our Nominating and Governance Committee reviews its effectiveness in balancing these considerations when assessing the composition of our Board.

Director Independence

Our Board has determined that: (i) Christopher Causey, Richard Giltner, Katherine Klein, Ray Kurzweil, Judy Olian, Christopher Patusky, Louis Sullivan and Tommy Thompson are independent in accordance with the Nasdaq listing standards; (ii) Martine Rothblatt is not independent due her employment as our Chief Executive Officer; (iii) as described below, in an abundance of caution, Raymond Dwek has been designated as not independent due to certain historical transactions between our company and the University of Oxford described in the section entitled *Certain Relationships and Related Party Transactions* below; (iv) Richard Giltner, Christopher Patusky and Tommy Thompson meet the heightened independence standards for audit committee members set forth in rules promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act); and (v) Christopher Causey, Judy Olian, Christopher Patusky and Louis Sullivan meet the heightened independence standards for compensation committee members under the Nasdaq listing standards.

Prior to 2011, Professor Dwek was regarded as one of our independent directors. In 2011, our Board determined not to designate Professor Dwek as an independent director under the Nasdaq listing standards, after considering our relationship with the University of Oxford. Our Board believes that Professor Dwek brings significant and valuable independent insight to our Board and does not believe that our relationship with Oxford University falls within any of the categorical prohibitions against a finding of independence under the Nasdaq listing standards. However, in an abundance of caution and in light of our historical relationship with Oxford, our Board currently does not designate Professor Dwek as an "independent director" within the meaning of the Nasdaq listing standards.

Table of Contents

Committees of our Board of Directors

Our Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. A summary of each committee's duties can be found below, and additional detail can be found in each committee's charter. The current composition of each committee is as follows:

	Audit	Compensation	Nominating and Governance
Christopher Causey		Chair	Member
Raymond Dwek(1)			
Richard Giltner	Chair		Member
Katherine Klein			
Ray Kurzweil			
Judy Olian		Member	
Christopher Patusky(2)	Member	Member	Chair
Martine Rothblatt(3)			
Louis Sullivan		Member	Member
Tommy Thompson	Member		

Notes:

(1) Non-Independent Director

(2) Lead Independent Director

(3) Management (Non-Independent) Director

Audit Committee

Our Audit Committee's responsibilities include:

- Representing and assisting our Board in its oversight responsibilities regarding our accounting and financial reporting processes, the audits of our financial statements and system of internal controls over financial reporting, including the integrity of our financial statements, and the qualifications and independence of Ernst & Young LLP, our independent registered public accounting firm;

- Retaining and terminating our independent auditors;

Approving in advance all audit and non-audit services to be performed by our independent auditors;

Approving related party transactions (as defined under the rules of the SEC); and

General oversight of our practices with respect to risk assessment and risk management.

For additional information regarding the processes and procedures used by our Audit Committee, see the section entitled *Report of our Audit Committee and Information on our Independent Auditors* below.

Table of Contents

Compensation Committee

Our Compensation Committee oversees our compensation plans and policies, reviews and approves compensation for our executive officers, oversees the administration of our equity incentive and share tracking awards plans, reviews and approves grants of stock options and share tracking awards to our executive officers and the methodology and formulae for granting stock options and share tracking awards to other employees. Our Compensation Committee's responsibilities include:

- Creating a system for awarding long-term and short-term performance-oriented incentive compensation to attract and retain senior management, and reviewing our compensation plans to confirm that they are appropriate, competitive and properly reflect our goals and objectives; and

- Assisting our Board in discharging its responsibilities regarding compensation of our executive officers.

Our Compensation Committee's charter provides that it may delegate responsibilities to subcommittees if it determines such a delegation would be in the best interest of our company. For additional information regarding the processes and procedures used by our Compensation Committee, see the section entitled *Compensation Discussion and Analysis* below.

Independent Compensation Consultant

Our Compensation Committee has the authority to engage advisors to assist it in carrying out its responsibilities. In accordance with this authority, our Compensation Committee directly engaged Radford, an Aon Hewitt company, as its compensation consultant during 2017 to provide advice to our Compensation Committee on our executive and non-employee director compensation practices and policies. Our Compensation Committee, in its discretion, may replace its independent compensation consultant or hire additional consultants at any time. Radford performed additional services during 2017, namely consulting services for non-executive employee compensation matters and broad-based compensation survey data, and was paid fees for these services totaling approximately $26,200. In addition, Radford affiliates (Aon Hewitt and its related entities) performed actuarial services relating to our SERP, insurance advisory services, stock plan administration and retirement plan advisory services, along with risk management consulting and insurance brokerage services for United Therapeutics during 2017, for which we paid approximately $556,915 during 2017. Additional insurance premiums and related fees were paid to Aon Hewitt and passed through to insurance companies not affiliated with Aon Hewitt. Our Compensation Committee was advised of the nature and extent of these services, which were sought by management, and did not find that they impaired Radford's independence. Since most of these services commenced prior to Radford's appointment as our Compensation Committee's independent consultant, they were not approved by our Compensation Committee or Board of Directors. Our Compensation Committee considered the independence of Radford in light of SEC rules regarding conflicts of interest involving compensation consultants and Nasdaq listing standards regarding compensation consultant independence. Based on its review, our Compensation Committee determined that Radford was independent, and that Radford's work did not raise any conflicts of interest. In making the foregoing determination, our Compensation Committee considered the following six factors, as well as other factors it deemed relevant: (i) the provision of other services to us by Radford; (ii) the amount of fees Radford received from us, as a percentage of their total revenue; (iii) the policies and procedures of Radford that are designed to prevent conflicts of interest; (iv) the lack of any business or personal relationships of the Radford consultants with any member of our Compensation Committee; (v) the lack of any United Therapeutics stock owned by the Radford consultants performing services for our Compensation Committee; and (vi) the lack of any business or personal relationships of the Radford consultants or Radford itself with any of our executive officers.

Our Compensation Committee engaged Radford during 2017 to review and advise our Compensation Committee on all principal aspects of executive and non-employee director

Table of Contents

compensation. This included base salaries, cash incentive awards and long-term incentive awards for our executive officers, as well as cash compensation and long-term incentive awards for non-employee directors. Radford performed the following tasks for our Compensation Committee in 2017, among others:

- Reviewing and advising on the structure of our compensation arrangements (i.e., base salary levels, cash incentive award target levels and the size of long-term incentive award targets) for our Chairman and Chief Executive Officer and our other executive officers;
- Reviewing and advising on the structure of our compensation arrangements for our non-employee directors;
- Providing recommendations regarding the composition of our peer group;
- Analyzing publicly available proxy data of companies within our peer group and survey data relating to executive compensation;
- Conducting pay and performance analyses relative to our peer group;
- Updating our Compensation Committee on industry trends and best practices with respect to executive long-term incentive compensation program design, including types of long-term incentive compensation awards, size of long-term incentive compensation grants, and aggregate long-term incentive compensation grant usage;
- Reviewing our equity incentive awards against our design/cost targets and against industry norms;
- Reviewing the *Compensation Discussion and Analysis* for our Proxy Statement;
- Advising our Compensation Committee in connection with its risk assessment relating to our compensation programs; and
- Working on special or ad-hoc projects for, or at the request of, our Compensation Committee as they arose.

In the course of fulfilling these responsibilities, Radford regularly communicated with our Compensation Committee Chairman outside of and prior to most Compensation Committee meetings. Our Compensation Committee regularly invites its independent compensation consultant to attend its meetings. In 2017, Radford representatives attended each of our Compensation Committee's seven meetings.

While our Compensation Committee considered its independent consultant's recommendations in 2017, our Compensation Committee's decisions, including the specific amounts paid to our executive officers and directors, were its own and may reflect factors and considerations in addition to the information and recommendations provided by its independent consultant.

Nominating and Governance Committee

In addition to the responsibilities described in the section entitled *Director Nominations and Diversity* above, our Nominating and Governance Committee's responsibilities include:

- Proposing nominees for election to our Board;

Proposing nominees to fill vacancies on our Board and newly created directorships;

Reviewing candidates for election to our Board recommended to us by our shareholders;

Recommending committee membership and chairmen;

Reviewing management succession plans;

Table of Contents

- Developing, evaluating, recommending to our Board and monitoring all matters with respect to corporate governance; and

- Overseeing our compliance program.

Corporate Governance Guidelines and Committee Charters

Upon the recommendation of our Nominating and Governance Committee, our Board has adopted Corporate Governance Guidelines as a framework for the governance of our company. Our Corporate Governance Guidelines, along with the charter for each Board committee, are available electronically in the "Corporate Governance" section of the "Investors" page of our website, located at *http://ir.unither.com/corporate-governance*, or by writing to us at United Therapeutics Corporation, Attention: Corporate Secretary, 1040 Spring Street, Silver Spring, Maryland 20910, or by sending an e-mail to *corporatesecretary@unither.com.*

Stock Ownership Guidelines

In 2011, our Board adopted Stock Ownership Guidelines applicable to our directors and Named Executive Officers (as defined below) in order to further align the financial interests of our directors and Named Executive Officers with those of our shareholders, to foster a long-term management orientation, and to promote sound corporate governance. For non-employee members of our Board, our Stock Ownership Guidelines provide an ownership target equal to the lesser of 5,000 shares or a value equivalent to five times the annual cash Board retainer. Non-employee members of our Board are expected to achieve their stock ownership targets within five years of becoming subject to these guidelines. The policy includes procedures for granting exemptions in the case of severe financial hardship. Ownership targets for our Named Executive Officers (including those serving on our Board) are described below under *Compensation Discussion and Analysis Stock Ownership Guidelines.*

In determining ownership levels for each director under our Stock Ownership Guidelines, credit is provided for shares held outright, as well as the number of vested, but unexercised, stock options and share tracking awards. No credit is provided for restricted stock units until they vest. For purposes of vested, unexercised stock options and share tracking awards, shares will be calculated on an "as if exercised" basis, assuming a cashless exercise (in the case of stock options) and net of taxes (using an assumed 35% tax rate). As of March 15, 2018, all of our non-employee directors had met the ownership targets in our Stock Ownership Guidelines.

Meetings of our Board of Directors and Board Attendance at Annual Meetings of Shareholders

Our full Board held seven meetings during 2017. In addition, during 2017, our Audit Committee held six meetings, our Compensation Committee held seven meetings, and our Nominating and Governance Committee held three meetings. Each of our directors attended more than 75% of the total number of meetings of our Board and the committees on which he or she served during 2017. In accordance with applicable Nasdaq listing standards, the independent members of our Board met without management present four times during 2017.

Although attendance is not mandatory, our Board encourages all of its members to attend the annual meeting of shareholders. Eight of our directors attended our 2017 annual meeting of shareholders.

Shareholder Communication with Directors

Shareholders are encouraged to address any director communications to our Corporate Secretary by overnight or certified mail, signature acceptance or return receipt required, at: United Therapeutics Corporation, Attention: Corporate Secretary, 1040 Spring Street, Silver Spring, Maryland 20910. Our

Table of Contents

Corporate Secretary has the authority to disregard or take other reasonable action with respect to any inappropriate shareholder communications. After confirming the stock ownership of the author of the communication, our Corporate Secretary will review the appropriateness of a shareholder communication based on the relevance of the communication to Board decisions. If deemed an appropriate communication, our Corporate Secretary will submit the shareholder communication to our Lead Independent Director.

Proxy Access

We amended our By-laws in 2015 to implement proxy access, which allows a shareholder or a group of up to 20 shareholders owning shares representing at least 3% of the outstanding voting stock of our company entitled to vote in the election of directors continuously for at least three years, to nominate and include in our Proxy Statement their own director nominees constituting up to 20% of the total number of directors then serving on our Board (or up to 25% if fewer than 10 directors are then serving on our Board), provided that the shareholder(s) and the nominee(s) satisfy the requirements in our By-laws. Our Board carefully considered the feedback we received from our shareholders in creating a thoughtfully designed and balanced approach to proxy access that mitigates the risk of abuse and protects the interests of all of our shareholders, while affording a meaningful proxy access right. Shareholders who wish to nominate directors for inclusion in our Proxy Statement in accordance with the procedures in our By-laws should follow the instructions under *Shareholder Proposals and Director Nominations* in this Proxy Statement.

Majority Voting

In June 2015, as part of our Board's ongoing review of our corporate governance policies, we amended our By-laws to provide that director nominees shall be elected by a majority of votes cast in uncontested director elections. A majority of votes cast means that the number of votes cast for the director nominee's election must exceed the number of votes cast against that director nominee's election. In connection with this By-law amendment, our Board also adopted a director resignation policy set forth in our Corporate Governance Guidelines, providing that any director who is not elected by a majority of the votes cast is expected to tender his or her resignation to our Nominating and Governance Committee. Our Nominating and Governance Committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken, considering all factors that the Committee believes are relevant. Our Board will act on our Nominating and Governance Committee's recommendation within 90 days following certification of the election results. Any director who tenders his or her resignation pursuant to our director resignation policy will not participate in the proceedings of either the Committee or the Board with respect to his or her own resignation offer.

Table of Contents

NON-EMPLOYEE DIRECTOR COMPENSATION

In 2017, our non-employee director compensation program was comprised of three main elements:

- an annual cash retainer (payable quarterly) for service as a member of our Board;

- additional annual cash retainers (payable quarterly) for service on Board committees and for service as Lead Independent Director; and

- stock options or restricted stock units (in either case, granted initially upon joining our Board, and thereafter on an annual basis) for service as a member of our Board.

Directors may also be compensated for special assignments from our Board. In 2017, no such special assignments occurred that involved compensation to a director. Employee directors do not receive any compensation for service on our Board in addition to their regular compensation as employees.

Our Compensation Committee and Nominating and Governance Committee generally review non-employee director compensation levels approximately once every two years, and final decisions with respect to any changes in non-employee director compensation levels are made by our Board upon the recommendation of our Compensation Committee and our Nominating and Governance Committee. In 2017, our Compensation Committee's independent consultant reviewed the market competitiveness of our non-employee director compensation program relative to our compensation peer group (as described in more detail below under *Compensation Discussion and Analysis Executive Compensation Framework Compensation Peer Group*). Based on this review, our Compensation Committee did not recommend any changes to the non-employee director compensation program in 2017. Our current non-employee director compensation levels were established by the Board in February 2016. The following table outlines the non-employee director compensation levels in effect for 2017:

		Value of Equity-Based Awards[3]	
	Annual Cash	**Initial**	**Annual**
Board Membership	$ 60,000	$ 400,000	$ 400,000
Lead Independent Director[1]	$ 35,000		
Committee Chairmanship[2]:			
Audit Committee	$ 25,000		
Compensation Committee	$ 25,000		
Nominating and Governance Committee	$ 25,000		
Committee Membership[2]:			
Audit Committee	$ 15,000		
Compensation Committee	$ 15,000		
Nominating and Governance Committee	$ 15,000		

(1) Compensation for service as Lead Independent Director is paid in addition to amounts paid for membership on our Board and for any committee chairmanship or membership.

(2) Committee chairmen receive the compensation indicated for committee chairmanship in lieu of the compensation for committee membership. Compensation for committee chairmanship and committee membership is paid in addition to amounts paid for Board membership.

(3) Annual awards are generally granted once per year on the date of the first meeting of our Board following our annual meeting of shareholders or for newly appointed directors, on or shortly following appointment to our Board.

Table of Contents

Equity-Based Awards

Non-employee directors are eligible to receive equity-based awards under the United Therapeutics Corporation 2015 Stock Incentive Plan (the 2015 SIP), which was approved by our stockholders on June 26, 2015, as follows:

Form of Awards: Initial Grants and Annual Grants are paid in the form of stock options, restricted stock units (RSUs) or a combination of the two. For each grant, directors may elect to receive awards in any one of the following forms:

- 100% stock options;
- 100% RSUs; or
- 50% stock options / 50% RSUs.

Value of Awards: The aggregate value of each director's annual equity-based award is $400,000. The aggregate value of an initial equity-based award upon joining the Board is $400,000, plus a pro-rata portion of the annual equity-based award value based on the number of months remaining in the Board service year at the date of grant.

Deferral for RSUs: For directors who elect RSUs, our Compensation Committee has implemented a deferral program enabling directors to defer delivery of shares of common stock following vesting of the RSUs.

Calculation Methodology: Our Compensation Committee also sets the methodology for determining the precise numbers of stock options and/or RSUs for each grant. For the annual grants, generally occurring in June of each year, the following applies (subject to modification by our Compensation Committee in its discretion):

Stock Options: The number of stock options is calculated by dividing the equity value ($400,000, or $200,000, if the director has elected 50% options and 50% RSUs) by the fair value of each stock option, calculated in accordance with the Black-Scholes-Merton methodology utilized in calculating share-based compensation for financial reporting purposes. Black-Scholes-Merton inputs are the same as those used in our most recent quarterly report on Form 10-Q, except that the stock price input is the average closing price of our Common Stock over a recent time period prior to the date of grant (May 10 through June 10, in the case of annual grants).

RSUs: The number of RSUs is calculated by dividing the equity value ($400,000, or $200,000, if the director has elected 50% options and 50% RSUs) by the average closing price of our Common Stock over a recent time period prior to the date of grant (May 10 through June 10, in the case of annual grants).

Rounding: The resulting number of stock options or RSUs, calculated as above, is rounded to the nearest 10 shares.

Exercise Price: Stock options granted to non-employee directors have an exercise price equal to the closing price of our common stock as reported on the Nasdaq Global Select Market on the date of grant, or on the preceding trading day if the award is granted on a date when the Nasdaq is not open.

Grant Timing:

The date of grant for a new non-employee director's initial award, consisting of the initial membership award and a pro-rated amount of the annual award for the remainder of the board service year, is the date of a director's appointment or election to our Board.

Table of Contents

The date of grant for annual awards is the date of the first meeting of our Board following our annual meeting of shareholders in the year of grant.

Vesting: Non-employee director awards become fully vested on the one-year anniversary of the grant date, but only if the director attends at least 75% of the regularly scheduled meetings of our Board and his or her committee meetings from the date of grant until the date of our next annual meeting of shareholders.

Previously, non-employee directors were also eligible to receive awards under the 2011 United Therapeutics Corporation Share Tracking Awards Plan (collectively with its predecessor plan adopted in 2008, the STAP), which settle only in cash. However, with the approval of our 2015 SIP, all equity-based awards beginning on June 26, 2015 have been granted in the form of stock options and RSUs.

The following table lists the compensation earned in 2017 by each non-employee director:

2017 Non-Employee Director Compensation

Name	Fees Earned or Paid in Cash[(1)]	Restricted Stock Units[(2)]	Stock Options[(2)]	All Other Compensation	Total
Christopher Causey	$ 100,000	$ 214,326	$ 206,627	$	$ 520,953
Raymond Dwek	$ 60,000	$ 428,652	$	$	$ 488,652
Richard Giltner	$ 100,000	$ 428,652	$	$	$ 528,652
Katherine Klein	$ 60,000	$	$ 412,763	$	$ 472,763
Ray Kurzweil	$ 60,000	$ 214,326	$ 206,627	$	$ 480,953
Judy Olian	$ 75,000	$ 428,652	$	$	$ 503,652
Christopher Patusky	$ 150,000	$ 214,326	$ 206,627	$	$ 570,953
Louis Sullivan	$ 90,000	$ 214,326	$ 206,627	$	$ 510,953
Tommy Thompson	$ 75,000	$ 214,326	$ 206,627	$	$ 495,953

(1) Includes (as applicable) annual cash retainer and fees for serving on our Board, the committees of our Board, as a committee chairman and as Lead Independent Director.

(2) On June 28, 2017, each of our non-employee directors was granted a combination of stock options and/or RSUs. Each stock option had an exercise price of $132.30 per share and a grant date fair value of $49.08 per share. Each RSU had a grant date fair value of $132.30 per share. Amounts shown in these columns represent the aggregate grant date fair value of these stock options and RSUs, which were the only awards granted to non-employee directors in 2017, computed in accordance with applicable accounting standards. For a discussion of the valuation assumptions for stock options, see Note 9 *Share-Based Compensation* to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. We note that the aggregate grant-date fair value of equity awards in 2017 differed from the annual equity-based award value of $400,000 because the actual number of options and RSUs granted was based on an average stock price over a defined time period, rather than the closing stock price on the date of grant, which is used to calculate the fair value of the awards.

The following table shows the number of stock options, STAPs and RSUs outstanding for each non-employee director as of December 31, 2017:

Name	Stock Options	STAP Awards	RSUs
Christopher Causey	19,210	38,250	1,620
Raymond Dwek	15,000	65,000	3,240
Richard Giltner	55,000	60,000	3,240
Katherine Klein	33,230	29,375	
Ray Kurzweil	24,120	33,750	1,620
Judy Olian	35,000		3,240

Christopher Patusky	24,120	52,500	1,620
Louis Sullivan	39,120	75,000	1,620
Tommy Thompson	50,620	53,059	3,370

Table of Contents

PROPOSAL NO. 2
ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION

We are asking our shareholders to vote on an advisory resolution, commonly known as a "Say-on-Pay" proposal, to approve executive compensation as reported in this Proxy Statement. Our Board and our Compensation Committee strongly value the opinions of our shareholders, and we have made substantial modifications to our executive compensation program specifically to address concerns raised by shareholders in previous years. Our Compensation Committee, which is responsible for designing and administering our executive compensation program, has designed our executive compensation program to provide a competitive and internally equitable compensation and benefits package that reflects company performance, job complexity and the value provided, while also promoting long-term retention, motivation and alignment with the long-term interests of our shareholders. Our company has grown revenue each year since 1998, and we believe the compensation program for our Named Executive Officers has been instrumental in helping us achieve strong business performance.

Please see the *Letter from our Compensation Committee Chairman* on the following page of this Proxy Statement to better understand how we have modified our programs based on feedback from our shareholders. We are pleased that changes to our compensation programs over recent years, in response to shareholder feedback, resulted in the approval of our 2016 and 2017 Say-on-Pay proposals. Similarly, although non-binding, we will consider the outcome of the 2018 Say-on-Pay vote in considering future compensation arrangements and decisions.

In connection with your vote on this proposal, we urge you to read the sections of this Proxy Statement entitled *Letter from our Compensation Committee Chairman*, *Compensation Discussion and Analysis* and the *Summary Compensation Table* and other related compensation tables and narratives that follow, which provide detailed information on the compensation of our Named Executive Officers. Our Compensation Committee and our Board of Directors believe that the policies and procedures articulated in the *Compensation Discussion and Analysis*, including the modifications we have made to our executive compensation programs, are effective in achieving our goals and that the compensation of our Named Executive Officers reported in this Proxy Statement has supported and contributed to both our recent and long-term success.

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking shareholders to approve the following advisory resolution at the Annual Meeting:

> **RESOLVED, that the shareholders of United Therapeutics Corporation (our "Company") approve, on an advisory basis, the compensation of our Company's Named Executive Officers disclosed in the *Compensation Discussion and Analysis*, the *Summary Compensation Table* and the related compensation tables, notes and narrative in the Proxy Statement for our Company's 2018 Annual Meeting of Shareholders.**

This advisory resolution is non-binding on our Board of Directors. Although non-binding, our Board and our Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program. Based on the results of our 2017 shareholder advisory vote on the preferred frequency of holding future advisory votes to approve executive compensation, our Board of Directors has adopted a policy providing for an annual advisory resolution to approve executive compensation. Unless our Board modifies its policy on the frequency of future "Say-on-Pay" advisory votes, the next "Say-on-Pay" advisory vote will be held at our 2019 annual meeting of shareholders.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR"
THE ADVISORY RESOLUTION TO APPROVE EXECUTIVE COMPENSATION.

LETTER FROM OUR COMPENSATION COMMITTEE CHAIRMAN

Dear United Therapeutics Shareholders:

On behalf of our Compensation Committee, I am pleased to report that 2017 was another successful year for United Therapeutics. We achieved all-time high annual revenues ($1.725 billion) representing approximately 8% year-over-year growth, driven by double-digit growth in revenues from four of our five commercial products. Profitability remained strong, and our balance of cash, cash equivalents and marketable securities grew from $1.05 billion to $1.43 billion from December 31, 2016 to 2017. We launched numerous research and development programs intended to develop new therapies and expand the use of our existing products in new indications. As a result, we are now undertaking seven simultaneous pivotal clinical trials a record for our company. All of these advancements have continued to build a foundation and platform for future growth for our shareholders. Our past, ongoing, and future success is rooted in the strength of our leadership team, which has delivered consistently strong performance over time.

In this Proxy Statement, we are asking you to read the *Compensation Discussion and Analysis* section and to vote on an advisory resolution relating to our executive compensation program this is commonly known as the "Say-on-Pay" proposal. In both 2016 and 2017, we received significant support for our Say-on-Pay proposal, underscoring the successful implementation of changes to our compensation program based on engagement with our shareholders. We have continued to engage with our shareholders on compensation matters, and our compensation program has continued to evolve with 2017 marking our most significant compensation program changes ever. In this letter, I want to highlight the fundamental changes we have made to our compensation program in response to shareholder feedback. These changes include a shift in the timing of our equity incentive grants, causing a one-time overlap as stock options were awarded in 2017 for *both* the 2016 compensation year and the 2017 compensation year. Presented in our *Summary Compensation Table*, this one-time anomaly appears at first glance to include abnormally high compensation in 2017. The purpose of this letter is to ensure that shareholders understand the shift in compensation policy and associated benefits which are the driver of this one-time event.

Understanding the One-Time Overlap Due to Equity Award Timing

As noted above, in 2017 we made a major shift in our equity grant practices. Historically, we established the size of an equity award at the start of the year for a performance year (e.g. Q1 2016) and then issued an award after the close of the fiscal year based on performance against pre-established milestone goals (e.g. Q1 2017). The award was then subject to time-based vesting for retention and incentivization to drive sustainable future performance. While these awards were entirely performance-based, some shareholders viewed these as time-based since they were granted after the performance was completed and were subject to additional time-based vesting. As a result of shareholder feedback and to enhance the performance aspect of these awards, we modified our equity award policy to be prospective in nature. This means that for the 2017 performance year, we made grants in March 2017 and these awards will only vest if the performance conditions are achieved over a prospective measurement period. However, this one-time transition from retrospective grants to prospective grants resulted in grants being issued in March 2017 to reward milestone performance under the 2016 performance year as well as to start the 2017 performance and pay cycle. Our implementation of this new policy is considered a best practice and is endorsed by shareholder advocacy thought leaders. Both sets of grants are presented in this year's *Summary Compensation Table*, and as a result, the table overstates the actual compensation set for 2017. Thus, it is important that shareholders review the *Supplementary 2017 Summary Compensation Table* (see page 44) to better understand the pay decisions implemented specifically for the 2017 pay cycle.

Table of Contents

Our Shift to Equity Incentives Tied to Prospective Performance Criteria

Also in 2017 and in direct response to shareholder feedback, we changed our equity program such that 100% of the awards are now tied to specific performance conditions. In particular, 50% of the awards are tied to the annual company-wide metrics under our Company-Wide Milestone Program and the remaining 50% are tied to a three-year performance profit metric. By using the annual milestones for the cash incentive and a portion of the long-term incentive, we reinforce the need for strong annual operating performance to build for the future. This reinforces our desire to keep our executives focused on our priorities as well as to keep the plan design simple and straightforward. We have also adopted a three-year performance metric for 50% of the equity award, to keep our executives focused on profitability over the longer term.

Strengthening Our Pay-For-Performance Philosophy

We are strong believers in pay-for-performance. While we felt that our previous program supported this belief, as noted above many of our shareholders did not view our equity incentive awards as performance-based. Our executive compensation program has always involved a predominant focus on at-risk pay, tied directly to company performance via our cash incentive and long-term incentive plans. With the changes noted above, we believe that shareholders and proxy advisory services should agree that our program is overwhelmingly performance-based. In 2017, our performance-based cash and equity incentives represented approximately 92% of the overall pay package for our Chief Executive Officer and approximately 86% for all Named Executive Officers. Cash incentives are awarded for the achievement of our Company-Wide Milestones, which are established at the beginning of the year. Our Milestones include objective components of revenue growth, profit growth, manufacturing capability, research and development progress and ethics/compliance. Our stock option

Table of Contents

awards are also performance-based, with the stock options being an important incentive to create value for our shareholders as a growth company such as ours. The number of shares underlying the option must be earned based on the achievement of pre-specified operational and financial performance criteria, and the stock price must appreciate in order for executives to realize any value.

The Importance of Shareholder Feedback

We value the opinions of our long-term shareholders. Over the past several years, we have worked with our management team to lead increased engagement with our shareholders on compensation matters. In the last year alone, we reached out to shareholders representing approximately 70% of our outstanding shares and met with shareholders representing approximately 30% of our outstanding shares. We have had valuable and constructive interactions with our shareholders and we have received and acted on the feedback each year. Our shareholders have communicated directly to me their delight with the performance of our company and our goal of evolving the executive compensation program, over time, in order to retain, motivate and incentivize our executive team that has consistently delivered market-leading, long-term performance. Over the past three years, we have made substantial changes to our executive compensation program based on extensive conversations with our shareholders. These changes are consistent with the principles outlined above, respond to the feedback and expectations of our shareholders, and are consistent with best practices. These changes continue to align and reinforce the key strategic and talent objectives for our company.

We Appreciate Your Support

I hope the above information conveys the sincerity with which we have addressed the requests and ideas our shareholders have raised regarding our executive compensation program. On that note, I want to personally thank those shareholders with whom we have had the opportunity to meet over the past several years. As our responsiveness demonstrates, we very much value the dialogue. We implemented dramatic changes in 2017 which will benefit our company and its shareholders going forward. While there is an unfortunate, anomalous impact on the compensation values we are required to report for 2017, we hope this letter clarifies why this is so and provides an understanding of the one-time nature of that impact.

Please review the *Compensation Discussion and Analysis* beginning on the following page for further information and detail about our executive compensation program. We look forward to your continued support of United Therapeutics generally, and your support of our Say-on-Pay Proposal this year.

Sincerely,

Christopher Causey
Compensation Committee
Chairman

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This *Compensation Discussion and Analysis* describes the compensation objectives and policies set by our Compensation Committee for our Named Executive Officers, including executive pay decisions and processes and all elements of our executive compensation program. **It should be read in connection with the *Letter from our Compensation Committee Chairman* immediately preceding this section (referred to as the "Shareholder Letter"), which contains important information regarding changes we have made to our executive compensation program.** In this *Compensation Discussion and Analysis*, the term "Compensation Committee" refers to the Compensation Committee of our Board of Directors, and the terms "we" and "our" refer to United Therapeutics. Our Named Executive Officers in 2017 consisted of the following individuals: Martine Rothblatt, Ph.D., Chairman and Co-Chief Executive Officer; James Edgemond, Chief Financial Officer and Treasurer (beginning with his promotion to this position in March 2015); Michael Benkowitz, President and Chief Operating Officer (beginning with his promotion to this position in June 2016); and Paul Mahon, J.D., Executive Vice President and General Counsel.

Overview of our 2017 Executive Compensation Program

The key features of our executive compensation program are summarized below:

Compensation Program Objectives. Our executive compensation program is designed to achieve four objectives: pay-for-performance; shareholder alignment; balance short-term and long-term perspectives; and market competitiveness.

Pay Program Elements. We accomplish these objectives through the following compensation elements, as summarized in the table below:

	Objective			
Compensation Element	**Pay for Performance**	**Shareholder Alignment**	**Balance Short- and Long-Term Perspectives**	**Market Competitiveness**
Base Salary				ü
Cash Incentive Awards	ü	ü	ü	ü
Long-Term Incentives (Stock Options/STAPs)	ü	ü	ü	ü
Benefits/Perquisites				ü
Supplemental Executive Retirement Plan (SERP)			ü	
Severance/Change-of-Control Benefits			ü	ü
Stock Ownership Guidelines		ü	ü	

For the 2017 performance period, cash incentive payments and performance-based stock option awards were granted in March 2017. Stock option awards were granted in two tranches. 50% of the grant was tied to one-year performance conditions under the 2017 Company-Wide Milestone Program, and vests (to the extent earned) in three equal installments on the first three anniversaries following the grant date. The other 50% of the stock option grant is tied to a three-year average cash profit margin goal for the performance period from 2017 through 2019. The Milestone and cash profit margin goals were deemed by our Compensation Committee to be challenging and stretch goals at the time they were established, with the cash profit metric being set above the 75th percentile of our peer group.

Competitive Positioning. Our philosophy is to provide our executives with market competitive pay with a high percentage being performance-based. We achieve this through a combination of base salary and cash and equity incentives that are earned only when specific financial and operational goals are achieved. In 2017, we implemented equity grants tied to both one-year and three-year performance metrics, which provide the opportunity for above market pay only if achieving stretch levels of performance. This continues to reinforce our commitment to align pay with performance.

Compensation Peer Group. On an annual basis, our Compensation Committee reviews Named Executive Officer compensation levels relative to a peer group of industry and labor market competitors. We have defined our peer group for several years as the top 25 companies other than United Therapeutics, ranked by market capitalization, in the Nasdaq Biotechnology Index. This "peer group" includes only companies that are U.S. based or based in jurisdictions with similar compensation disclosure requirements as U.S. companies. Our Compensation Committee believes this is an objective metric by which to select peers and results in a peer group that includes biopharmaceutical and biotechnology companies that are similar to us in terms of financial performance, shareholder value creation and drug development and commercialization, and generally reflects the universe of companies from which we recruit, and against which we retain, executive talent. We have applied this criteria over the past few years, resulting in a common set of peers year over year, for pay level and policy consistency. Each year a number of peers are added or removed from the list and replaced with other companies for various reasons, including changes in market capitalization and merger and acquisition activities. We have provided below for reference the profile of our compensation peer group for 2017, as well as the peer group that has been selected for 2018:

Table of Contents

Company	2017	2018
ACADIA	ü	ü
Alexion Pharmaceuticals	ü	ü
Alkermes	ü	ü
Alnylam Pharmaceuticals	ü	ü
Amgen	ü	ü
Anacor	ü	
Biogen	ü	ü
BioMarin Pharmaceutical	ü	ü
Bio-Techne	ü	ü
Celgene	ü	ü
Endo International	ü	
Exelixis		ü
Gilead Sciences	ü	ü
Illumina	ü	ü
Incyte	ü	ü
Intercept Pharmaceuticals	ü	
Ionis Pharmaceuticals	ü	ü
Jazz Pharmaceuticals	ü	ü
Juno	ü	
Kite Pharma		ü
Medivation	ü	
Mylan N.V.	ü	ü
Neurocrine	ü	ü
Opko Health		ü
PRA Health Sciences		ü
Regeneron Pharmaceuticals	ü	ü
Seattle Genetics	ü	ü
Shire	ü	ü
Tesaro		ü
Vertex Pharmaceuticals	ü	ü
Median Revenue ($MM)	$996.6	$1,226.7
United Therapeutics Revenue ($MM)	$1,507.3	$1,600.3
United Therapeutics Percentile Rank[(1)]	59th	57th
Median Market Cap ($MM)	$9,857.0	$9,283.8
United Therapeutics Market Cap ($MM)	$4,972.1	$5,817.3
United Therapeutics Percentile Rank[(1)]	33rd	31st

(1) The percentile rank shown above reflects values at the time of approval by our Compensation Committee. Revenue figures reflect trailing twelve-month revenues and a trailing average market capitalization as of May of the preceding year (when the peer group was approved).

Our Compensation Committee has relied on a consistent approach to peer group selection, applying an objective external measure for selecting companies. This results in a number of peers being larger than our company based on market capitalization and/or revenue as well as a number of peers being smaller. Our goal each year is to provide a balanced view of companies placing our company within the peer group statistics of the 25th to 75th percentile for these key metrics. Furthermore, our Compensation Committee views it as critical to measure ourselves against industry leading peers (even if some are much larger than we are) because, in addition to being companies with which we compete

Table of Contents

for talent, these larger companies are also our business competitors. Our commercial products compete with some of the largest biotechnology and pharmaceutical companies in the world, including Gilead Sciences Inc., the largest company in our peer group in terms of market capitalization. We have focused on both the revenue rank and market capitalization position given the range of companies in the peer group. By placing our company between the 40th and 60th percentile of our peer group for revenue, we believe the peer group reflects companies of similar scope and complexity. Given market capitalization volatility we seek to balance revenue rank and market capitalization ranking when setting pay levels on a per position basis.

Compensation Committee Independence. Our Compensation Committee has consistently retained nationally-recognized executive compensation consulting firms since 2004 to advise it on compensation matters relating to our Named Executive Officers, and evaluated its consultants' independence consistent with applicable requirements. For details, see the section above entitled *Board of Directors, Committees, Corporate Governance Independent Compensation Consultant*. Our Compensation Committee also regularly meets in executive session without members of management present.

Impact of 2017 Advisory Resolution on Executive Compensation

At our 2017 annual meeting of shareholders, our shareholders voted in favor of our Say-on-Pay Proposal (80%). We were pleased with this result given the changes we had implemented based on shareholder feedback. As detailed in the Shareholder Letter beginning on page 24 of this Proxy Statement, we have continued our engagement with shareholders and have made further changes to our executive compensation programs for 2017 based on this ongoing dialogue. Over the last several years, the Chairman of our Compensation Committee has led an effort to engage with our shareholders, and in 2017 alone, we reached out to shareholders whose holdings represented approximately 70% of our then outstanding shares and ultimately held in-person discussions with shareholders whose holdings represented approximately 30% of our then outstanding shares. The purpose of these meetings was to gather feedback regarding our executive compensation and general governance policies, and to discuss the structure and design of our equity compensation program. This information was then shared with our Compensation Committee as it considered potential changes to our executive compensation program. Our Compensation Committee Chairman and members of management participated in these calls. Our Compensation Committee also considered the proxy voting reports from the shareholder advisory firms of Institutional Shareholder Services, Inc. and Glass, Lewis & Co., LLC with respect to our compensation programs. Our Compensation Committee held seven meetings in 2017, and the Chairman of our Compensation Committee held numerous additional meetings with management and its independent compensation consultant to determine the best way to continue to address shareholder feedback as the Compensation Committee evaluated our executive compensation programs.

Key Governance Features of our Executive Compensation Program

Our Compensation Committee periodically assesses the effectiveness of our compensation policies and practices in achieving its pay-for-performance objective while aligning the interests of executive officers with those of shareholders, balancing short term and long-term elements, and maintaining market competitiveness. Our Compensation Committee also reviews risk mitigation and governance items, which are designed to help ensure that our compensation programs are functioning to achieve

Table of Contents

such objectives. In conjunction with this assessment and review, we have adopted the following best practices:

What We Do	What We Don't Do
Design our executive compensation program to align pay and performance with more than 90% being performance contingent for our CEO	No repricing or backdating of stock options
Gather market data for the specific peers examining a range of pay between the 25th and 90th percentiles to understand the market conditions within the industry and for our labor market	No liberal share recycling under 2015 Stock Incentive Plan
Maintain an appropriate balance between short-term and long-term compensation which discourages short-term risk taking at the expense of long-term results	
Grant performance-contingent equity based on company milestones and multi-year performance	
Establish threshold, target and stretch company goals; we require a minimum level of performance for any payment under the cash incentive plan	No vesting prior to the first anniversary of grant, subject to limited exceptions
Maintain stock ownership guidelines to align executive officer and share ownership with that of our directors and our shareholders	No grants of equity during trading blackout periods
Prohibit hedging and pledging by executives and directors	No discounted or reloaded stock options
Employ a compensation recovery, or clawback, policy*	No excessive perquisites
Conduct annual risk assessments of our compensation policies and practices	No excise tax gross ups
Hold Compensation Committee executive sessions without management	No guaranteed base salary and/or bonus payments
Engage an independent compensation consultant who reports directly to the compensation committee	

* Our Board has the authority, to the extent permitted by governing law, to make retroactive adjustments to any cash award or equity award-based incentive compensation paid to our Named Executive Officers and certain other senior managers where the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement.

Table of Contents

Review of 2017 Executive Compensation

Pay-for-performance and a focus on total direct compensation are fundamental to our compensation philosophy. The compensation program for our Named Executive Officers is structurally tied to performance, on a one-year and a three-year basis. This places the vast majority of pay "at-risk", consisting of performance-based cash and equity incentives under our one-year Milestone grant program and additional equity incentives under our three-year cash profit equity grant. These awards are dependent on achieving operating performance to remain focused on delivering results for our shareholders in the near-term and longer-term. Total target direct compensation for 2017 is shown below and reflects base salary, the target annual cash incentive award and the grant date fair value of equity awards granted during the year. Our Compensation Committee takes a holistic approach to compensation and seeks to ensure that the aggregate level of pay across all pay elements is meeting the stated objectives. Our Compensation Committee does not have a formulaic approach to allocating pay between the various elements. Instead, our Compensation Committee applies its business judgment and experience to establish a total compensation package for each Named Executive Officer which it believes is appropriate.

Summary of 2017 Compensation

The components of our Named Executive Officers' target total direct compensation are base salary and variable performance-based compensation, including cash incentives and long-term incentive compensation, in the form of performance-based stock options. The following table shows our Named Executive Officers' base salaries and target performance-based compensation for 2017 and the amount of any increase of such compensation over 2016. The basis for our Compensation Committee's decisions with respect to each of these components for 2017 is discussed in greater detail below.

Summary 2017 Target Total Direct Compensation

Executive Officer	2017 Base Salary[(1)]	% Increase Over 2016 Base Salary	2017 Cash Incentive Bonus Target as % of Base Salary	Change in Cash Incentive Bonus Target %[(2)]	2017 Long-Term Incentive Award Target[(3)]	2017 Total Target Direct Compensation
Martine Rothblatt	$ 1,180,000	5%	110%	0%	$ 14,000,000	$ 16,478,000
James Edgemond	$ 625,000	4%	75%	0%	$ 3,000,000	$ 4,093,750
Michael Benkowitz	$ 750,000	15%	80%	0%	$ 4,000,000	$ 5,350,000
Paul Mahon	$ 820,000	3%	65%	0%	$ 4,000,000	$ 5,353,000

(1) Reflects increases in annual base salaries effective March 2017.

(2) Represents the difference in cash incentive award target as a percentage of salary, between 2017 and 2016.

(3) Represents the target value of stock options for our Named Executive Officers that could potentially be earned for the 2017 performance period. Awards were converted into a number of stock options based on a Black-Scholes-Merton value, which uses the average closing price of our common stock for the month of February 2017. Fifty percent of the awards were granted in March 2017 with performance criteria tied to the achievement of our 2017 Company-Wide Milestones (one-year metrics), and earned shares vest in equal installments over a three-year period from the date of grant for additional incentive and retention purposes. The remaining fifty percent were granted in March 2017, vesting on the third anniversary of the date of grant based on performance of a three-year financial metric from 2017 to 2019. Note that the figures in this table exclude the equity awards made in March 2017 with respect to the 2016 performance year.

Table of Contents

Base Salary

Base salary is the primary fixed element of the compensation packages for our Named Executive Officers. Our Compensation Committee reviews and establishes base salary levels for our Named Executive Officers each year taking into consideration one or more of the following factors, depending on the circumstances: (i) a qualitative evaluation of individual performance, including contribution to the advancement of corporate objectives, impact on financial results, and strategic accomplishments; (ii) our overall performance, financial condition and prospects; (iii) the annual compensation received by executives holding comparable positions at our peers as described in the section entitled *Overview of our 2017 Executive Compensation Program* above; (iv) our annual company-wide budget for salary increases; and (v) the input of our Chief Executive Officer (in the case of the other Named Executive Officers). Base salaries are also typically reviewed when there is a material change in the executive's responsibilities during the year.

In early 2017, our Compensation Committee approved salary increases for all of our Named Executive Officers, providing a 5% increase for Dr. Rothblatt, a 4% increase for Mr. Edgemond, a 15% increase for Mr. Benkowitz and a 3% increase for Mr. Mahon, effective March 2017. Mr. Benkowitz' salary increase reflected the increase in his responsibilities following his promotion to President and Chief Operating Officer, and his significant contribution to the business in 2017. The remaining salary increases were determined based on a review of competitive pay positioning, taking into consideration internal pay equity among Named Executive Officers and the importance of the Named Executive Officers.

Cash Incentive Award Program

Each year, our Compensation Committee establishes cash incentive award targets for each of our Named Executive Officers, taking into consideration the same factors it uses to determine base salaries (other than our company-wide budget for salary increases). For 2017, our Compensation Committee initially established cash incentive award targets for our Named Executive Officers as a percentage of base salary in early 2017, at the levels shown in the *Summary 2017 Target Total Direct Compensation* table above.

These stated incentive targets are comparable to those of executives holding similar roles and levels of responsibility at our peer group companies. Cash incentives are earned for achieving our Company-Wide Milestones (described below) and are subject to a threshold, or minimum, level of performance that must be achieved before any awards are made. In addition, each of our Named Executive Officers has the opportunity to earn up to 150% of their target cash incentive award for 2017, based on above-target performance on our cash profit and revenue-based milestones. We believe that by setting a threshold level of performance as well as a maximum under the plan we have aligned these policies with market norms and have also responded to feedback from our shareholders.

2017 Milestones

The Milestones (or performance goals) are generally intended to create company-wide incentives relating to significant corporate objectives, such as (i) financial performance and growth; (ii) research and development programs, manufacturing capabilities and other operational metrics and goals; and (iii) ethical conduct. Our Compensation Committee approved the specific goals and weightings based on management input at the beginning of the year based on a desire to reflect core performance measures and priorities for the business for the fiscal year, including our commitment to compliance, and to set goals that translate most directly into short-, medium-and long-term value growth.

Table of Contents

The Milestone performance targets are difficult to meet and require significant leadership and execution on the part of our Named Executive Officers. Based on these factors, our Compensation Committee established the following Company-Wide Milestones and weightings for 2017:

2017 Company-Wide Milestones	Percentage of Award Opportunity
Milestone 1 **Cash Profits*:** Achieve the cash profit level for 2017 included in our long-range business plan ($950 million)	20%
Milestone 2 **Financial Growth:** Superior financial growth as evidenced by achieving the net revenues for 2017 included in our long-range business plan ($1.75 billion)	20%
Milestone 3 **Manufacturing:** Adequate manufacturing capabilities, evidenced by a two-year inventory of Remodulin, Tyvaso and Orenitram finished drug product and passing all GMP-related FDA inspections at our facilities without any issues that prevent the use or approval of any of our drug products	20%
Milestone 4 **Research & Development:** Conduct insightful research and development programs, taking into account regulatory approvals, label extensions and the quantity and quality of trials that support our business goals	20%
Milestone 5 **Ethics:** Accomplish each of the above Milestones in an ethical manner, and respond, as appropriate, to any compliance-related investigations	20%

* Cash profit is defined as net income for 2017 (as reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2017), adjusted to add the following expenses, net of relevant benefits (or subtracted, to the extent the expense item is a net benefit):

- Interest expense;
- Non-cash charges (including, without limitation, amortization and depreciation);
- Tax expense (including penalties and interest);
- Extraordinary, non-recurring and unusual items (including without limitation, license fees, milestone payments, gains/losses on acquisition/disposal of assets, asset impairments; restructuring costs; foreign currency adjustments; discontinued operations);
- Legal expenses related to (a) intellectual property prosecution and defense; (b) litigation and government investigation and enforcement proceedings; and (c) amounts paid to settle/resolve legal disputes, litigation and government investigations and enforcement proceedings; and
- Share-based compensation expense.

Our Compensation Committee has carefully crafted these Milestones, which represent rigorous, objective standards by which to measure company and executive officer performance. Our Compensation Committee believes that all five Milestones are strategically important to our continued success and therefore should be weighted equally in determining incentive awards. Cash profits and financial growth objectives are important to maintaining industry-leading financial performance, and our 2017 goals are tied to our long-term strategic objectives, which include aggressive revenue growth targets over four-, eight- and twelve-year time horizons. Our manufacturing Milestone is intended to ensure a continuous supply of our treprostinil-based therapies, which generate the vast majority of our revenues. Our research and development Milestone is intended to ensure that we have a robust pipeline of products that has the capability of delivering future revenues sufficient to drive continued, industry-leading growth. Finally, our ethics milestone recognizes the importance of maintaining an effective compliance program as individual fines from government investigations of pharmaceutical companies have become increasingly material. Importantly, four of our Milestones create clear,

Table of Contents

objective standards for measuring company performance, while the fifth (Ethics) is based on a qualitative assessment.

The details of our framework for determining 2017 Milestone performance are provided below:

Milestone	Award Determination Criteria
Cash Profits	• < 95% of Goal: 0% credit (below threshold) • 95% of goal: 50% credit (at threshold) • 95% to 100% of Goal: partial credit (linear interpolation, between threshold and target) • 100%+ of Goal: 100% credit (target)
Financial Growth	• < $1.6 billion: 0% credit (below threshold) • $1.6 billion: 50% credit (at threshold) • $1.6 billion to $1.75 billion: partial credit (linear interpolation, between threshold and target) • 100%+ of Goal ($1.75 billion): 100% credit (at target)
Manufacturing	• Award pro rata credit based on number of quarters for which: (1) pre-specified inventory levels are achieved (i.e., 2-year supply of Orenitram, Remodulin and Tyvaso); and (2) we pass any GMP-related FDA inspections
Research & Development*	• < 75% of Goal: 0% credit (below threshold) • 75% of Goal: 50% credit (at threshold) • 75% to 100% of Goal: pro rata credit (linear interpolation, between threshold and target) • 100%+ of Goal: 100% credit (at target)
Ethics	• Based on a qualitative assessment of the effectiveness of the overall compliance program as determined by our Nominating and Governance and Compensation Committees

* Based on a system of R&D points, where expected points (i.e., the goal) are determined at the beginning of the year based on our pipeline, and progress is measured at the end of the year (subject to potential adjustment to the formula for research and development efforts commenced and/or terminated during the year). Points are assigned as follows: Regulatory approval or label extension receives 7 points, phase 3 or 4 study unblinded with statistical significance receives 5 points, active phase 3 or 4 (or registration) study receives 4 points, active phase 2 study receives 2 points, and active phase 1 study receives one point. The total number at the end of the year is multiplied by a normalization factor of 1.2, to reflect the inherent risk in drug development.

Under the terms of our Company-Wide Milestone Program, our Compensation Committee has the authority to exercise negative (downward) discretion in the event of partial attainment under any of the Milestones.

For 2017, above-target cash incentive awards were possible (up to 150% of target) based only on the achievement of financial performance against the pre-established financial growth and cash profit goals, as follows:

	Range (Target to Stretch)	
Revenue Performance	$ 1.75 billion	$ 1.925 billion
Cash Profit Performance	$ 950 million	$ 1.045 billion
Multiplier for each Metric*	0%	25%

* Multiplier calculated independently for each metric; interpolate between performance levels

Table of Contents

For 2017, our Compensation Committee determined that 98.5% of the Milestones were achieved, in accordance with the following analysis:

Milestone	Performance	Attainment Level % (A)	Weighting (B)	% of Award Earned (A × B)
1	2017 cash profits were $1.180 billion, representing 124% of the target of $950 million.	100%	20%	20%
2	2017 net revenues for Remodulin, Tyvaso, Adcirca, Orenitram and Unituxin were $1.725 billion, representing 98.5% of the target of $1.75 billion, resulting in 92.5% credit based on linear interpolation	92.5%	20%	18.5%
3	Maintained greater than two-year inventory of all strengths of Remodulin, Tyvaso and Orenitram and passed all FDA inspections at our facilities	100%	20%	20%
4	Achieved 33 R&D points compared to a goal of 38 points (before applying the 1.2 normalization factor). While we did not achieve approval for the Implantable System for Remodulin as planned, we continued enrolling several important pivotal studies (e.g., FREEDOM-EV trial of Orenitram (phase 3/4), BEAT study of esuberaprost (phase 3), INCREASE study of Tyvaso (phase 2/3), DISTINCT study of dinutuximab in small cell lung cancer (phase 2/3)) and commenced several important new studies (e.g., SAPPHIRE gene therapy study (phase 2/3), SOUTHPAW study of Orenitram in WHO Group 2 pulmonary hypertension). We also progressed our phase 3 program relating to the RemUnity pump, our EVLP study (phase 2) and our efforts to develop a pain-free version of Remodulin called RemoPro.	100%	20%	20%
5	Based on an assessment by our Nominating and Governance Committee, our company was found to have performed in an ethical manner, and with an effective compliance program.	100%	20%	20%
Total				**98.5**%

Our Named Executive Officers have the ability to earn above target pay only when we exceed our financial targets under Milestones 1 and 2 above. For 2017, our cash profits of $1.180 billion exceeded both target ($950 million) and maximum ($1.045 billion), therefore the additional 25% financial multiplier was achieved for this metric. The revenues of $1.725 billion were modestly below target ($1.75 billion), therefore no additional financial multiplier was achieved for this performance. The aggregate financial multiplier for 2017 was 125% (100% + 25%).

Table of Contents

The cash incentive awards earned by our Named Executive Officers and approved by our Compensation Committee for the 2017 performance year were as follows:

Executive Officer	2017 Base Salary (A)	2017 Cash Incentive Award Target as % of Base Salary (B)	2017 Milestone Attainment (C)	2017 Financial Multiplier (D)	Total Cash Incentive Bonus Earned (A × B × C × D)
Martine Rothblatt	$ 1,180,000	110%	98.5%	125%	$ 1,598,163
James Edgemond	$ 625,000	75%	98.5%	125%	$ 577,148
Michael Benkowitz	$ 750,000	80%	98.5%	125%	$ 738,750
Paul Mahon	$ 820,000	65%	98.5%	125%	$ 656,256

Long-Term Incentive Compensation

2017 Long-Term Incentive Compensation

Our long-term incentive compensation program is structured to support our pay-for-performance and shareholder alignment objectives. As such, beginning in 2017 our program consists entirely of performance-based stock options under the United Therapeutics Corporation 2015 Stock Incentive Plan (the 2015 SIP). For the 2017 performance period, we granted performance-based stock options to each Named Executive Officer based on the target equity values shown above under *2017 Target Total Direct Compensation*, converted into a number of stock options based on a Black-Scholes-Merton value, which uses the average closing price of our common stock for the month of February 2017. Our Compensation Committee does not have a set benchmark or formula for setting the long-term incentive award target for these individuals. It reviews and establishes long-term incentive target opportunities based on several factors, including: (i) the fair value of the long-term target opportunity in relation to our peer group; (ii) past grant levels including the retention value of these holdings; (iii) individual and company performance; and (iv) the potential gain to be realized from these awards based on the appreciation in the price of our common stock. 2017 awards were granted in two forms of performance-based stock options, as follows:

Milestone Performance Options. 50% of each Named Executive Officer's equity opportunity for 2017 was awarded in March 2017, with performance criteria tied to the achievement of our 2017 Company-Wide Milestones. These options have a maximum payout of 150% of target, based on above-target performance using the financial multiplier used to determine cash incentive payouts (discussed above). The number of shares earned based on performance will then vest in equal installments over a three-year period from the date of grant. Following the end of the 2017 performance period, our Compensation Committee determined that the following number of Milestone Performance Options was earned by each Named Executive Officer, on the basis of our 98.5% milestone performance and 125% financial multiplier.

	2017 Milestone Performance Option Award (Granted on March 15, 2017) (50% of Overall Opportunity)		
Executive Officer	Milestone Performance Option Award Opportunity (Target) (#) (A)	Earned Award as % of 2017 Target (B)	Long-Term Incentive Award Earned (#) (A × B)
Martine Rothblatt	122,061	123.1%	150,288
James Edgemond	26,156	123.1%	32,205
Michael Benkowitz	34,875	123.1%	42,940
Paul Mahon	34,875	123.1%	42,940

Cash Profit Performance Options. 50% of each Named Executive Officer's equity opportunity for 2017 was awarded in March 2017 with a vesting condition tied entirely to achievement of a cash profit margin target over a multi-year period from 2017 through 2019 (Cash Profit

Table of Contents

Performance Options). In particular, each award will vest fully on the third anniversary of the date of grant if our average cash profit margin meets or exceeds 50% over the 2017-2019 performance period. Vesting is subject to a threshold performance criterion of 45% average cash profit margin, at which one-half of the target number of shares will vest. Below this threshold, zero shares will vest and between 45% and 50%, the number of shares earned will be determined by linear interpolation. Up to 200% of the target number of shares may be earned if average cash profit margin equals or exceeds 55%, with the number of shares earned between target and maximum determined by linear interpolation. Cash profit margin for a given year is defined as noted above under the cash profit Milestone for 2017.

The following table shows the number of Cash Profit Performance Options granted to each Named Executive Officer in March 2017 for the 2017 equity opportunity at threshold, target and maximum performance levels:

Executive Officer	Threshold	Target	Maximum
Martine Rothblatt	61,031	122,061	244,122
James Edgemond	13,078	26,156	52,312
Michael Benkowitz	17,438	34,875	69,750
Paul Mahon	17,438	34,875	69,750

Both types of stock options expire 10 years from the date of grant, subject to earlier expiration upon termination of employment with us.

Conclusion

As a result of these actions, actual total direct compensation (defined as 2017 base salary, plus cash incentive award paid in 2018 for 2017 performance, plus the grant date fair value of Milestone Performance Options and Cash Profit Performance Options granted in 2017 for the 2017 performance period) for our Named Executive Officers approximated the 90th percentile of our peer group in the case of our Chief Executive Officer and General Counsel, and between the 50th and 75th percentile of our peer group for our other Named Executive Officers. Our Compensation Committee believes this was appropriate given the pay-for-performance design of our compensation arrangements, where a larger portion of Named Executive Officers' compensation on average is performance-based when compared to our peer group, and our track record of extraordinary, long-term performance against our internal goals and relative to our peers. Additionally, our annual compensation levels and composite performance for 2017 are extremely well aligned in relation to our peer group.

Other Executive Compensation Policies and Practices

Long-Term Incentive Awards Grant Timing Policy

Our long-term incentive award grant timing is designed so that awards are granted after the market has had an opportunity to react to our announcement of annual earnings. We also believe this timing helps us avoid broad internal communication of highly confidential financial results prior to public announcement of our annual financial results. All long-term incentive awards granted to our Named Executive Officers and other employees have an exercise price equal to the closing price of our common stock on the Nasdaq on the date of grant or, if the award is granted on a date when the Nasdaq is not open, an exercise price equal to the closing price of our common stock on the Nasdaq on the preceding trading day.

As a general matter, awards to our Named Executive Officers for a given year have historically been granted on March 15th of the following calendar year (or the preceding trading day if markets are not open on March 15th). As a result, long-term incentive awards for our Named Executive Officers, as discussed in our 2017 Proxy Statement, were granted on March 15, 2017, and these awards are shown

Table of Contents

in the *Summary Compensation Table* and the tables thereafter in this Proxy Statement. We recommend shareholders also examine the *Supplementary 2017 Summary Compensation Table* below to better understand the actual decisions made for 2017 given that 2017 was a transition year and resulted in grants for 2016 performance (retrospective pay) as well as grants for 2017.

Benefits and Perquisites

The benefits offered to our Named Executive Officers are substantially the same as those offered to all employees, with the exception of the supplemental executive retirement plan (SERP) discussed in the section entitled *Supplemental Executive Retirement Plan* below. We provide a tax-qualified retirement plan (a 401(k) plan) and medical and other benefits to executives that are generally available to other full-time employees. Under our 401(k) plan, all employees are permitted to contribute up to the maximum amount allowable under applicable law (i.e., $18,000 in 2017 or $24,000 for eligible participants who are age 50 or older). We make matching contributions equal to 40% of eligible employee contributions with such matching contributions vesting 33$^{1}/_{3}$% per year based on years of service, not the amount of time an employee has participated in the 401(k) plan. Therefore, once an employee completes three years of service, his or her account is fully vested, and any future matching funds will vest immediately. The 401(k) plan and other generally available benefits programs allow us to remain competitive for executive talent. We also provide limited perquisites to our Named Executive Officers, including participation in either our vehicle lease program, which covers the monthly lease payment and cost of insurance and maintenance on vehicles, or a monthly car allowance of up to $1,000. Our Compensation Committee believes that the availability of these benefit programs generally enhances executive recruitment, retention, productivity and loyalty to us.

For additional details on certain benefits and perquisites received by our Named Executive Officers, see the *Summary Compensation Table* below.

Supplemental Executive Retirement Plan

We maintain our SERP for select executives to enhance the long-term retention of individuals who have been and will continue to be vital to our success. Currently, only our Named Executive Officers and four other members of senior management participate in the SERP. The SERP provides each participant with a lifetime annual payment after retirement (or at his or her election, a lump-sum payment) of up to 100% of final average three-year gross salary less estimated social security benefit, provided that he or she is employed by us or one of our affiliates until age 60. Participants in the SERP are prohibited from competing with us or soliciting our employees for a period of twelve months following his or her termination of employment (or, if earlier, upon attainment of age 65). Violation of this covenant will result in forfeiture of all benefits under the SERP.

Additional details regarding the SERP, including provisions in connection with a participant's death or disability or change in control of our company, are provided under the *Pension Benefits in 2017* table below.

Post-Employment Obligations for Named Executive Officers

Each of our Named Executive Officers is eligible for certain severance payments in the event his or her employment terminates under specified circumstances, including in connection with a change in control, as provided in their employment agreements as well as the terms of the SERP, the 1997 United Therapeutics Corporation Amended and Restated Equity Incentive Plan (EIP), the 2015 SIP and the STAP. These payments vary based on the type of termination but may include cash severance, stock option and STAP vesting acceleration, SERP vesting acceleration, and/or continuation of health and other benefits.

Table of Contents

Our Compensation Committee approved these arrangements in order to promote the loyalty and productivity of our Named Executive Officers and to align executive and shareholder interests by enabling executives to consider corporate transactions that are in the best interests of our shareholders and other constituents of our company without undue concern about whether the transaction may jeopardize their employment. Our Compensation Committee wants our Named Executive Officers to be free to think creatively and promote the best interests of our company without worrying about the impact of those decisions on their employment.

Details regarding severance and change in control arrangements for our Named Executive Officers are contained in the text following the *Potential Payments Upon Termination or Change in Control* table below.

Stock Ownership Guidelines

As noted above under *Board of Directors, Committees, Corporate Governance Stock Ownership Guidelines*, in 2011 our Board adopted Stock Ownership Guidelines in order to further align the financial interests of our directors and executive officers with those of our shareholders, to foster a long-term management orientation, and to promote sound corporate governance. Our Board amended the Stock Ownership Guidelines in 2016 in light of changes in the composition of our executive management team. As amended, our Stock Ownership Guidelines set targets for each executive officer according to the lesser of a multiple of base salary or fixed number of shares of common stock as follows:

Title of Individual	Ownership Target
Chairman and Chief Executive Officer	Lesser of 6x base salary or 100,000 shares
President and Chief Operating Officer	Lesser of 3x base salary or 30,000 shares
Chief Financial Officer and Treasurer	Lesser of 3x base salary or 20,000 shares
Executive Vice President and General Counsel	Lesser of 3x base salary or 30,000 shares

In determining ownership levels for each executive officer, credit is provided for shares held outright, as well as the number of vested, but unexercised, stock options and STAP awards. For purposes of vested, unexercised stock options and STAP awards, shares will be calculated on an "as if exercised" basis, assuming a cashless exercise (in the case of stock options) and net of taxes (using an assumed 35% tax rate). Executive officers are expected to achieve their Stock Ownership Guideline target within five years of becoming subject to this policy. The policy provides procedures for granting exemptions in the case of severe financial hardship. As of March 15, 2018, all of our Named Executive Officers had met the ownership targets in our Stock Ownership Guidelines or were on track to do so within the time permitted.

Policy Regarding Tax Deductibility of Executive Compensation

For fiscal year 2017 and prior years, Section 162(m) of the Internal Revenue Code (the Code) generally limited the deductibility of compensation to $1 million per year for certain of our named executive officers, unless compensation in excess of the limit qualified as "performance-based compensation."

While our Compensation Committee considers the impact of this tax treatment, the primary factor influencing program design is the support of our business objectives. Generally, whether incentive compensation will be deductible under Section 162(m) of the Code will be a consideration, but not the decisive consideration, with respect to our Compensation Committee's compensation determinations. Accordingly, our Compensation Committee retains flexibility to structure our compensation programs in a manner that is not tax-deductible in order to achieve a strategic result that our Compensation Committee determines to be more appropriate. For example, with respect to the "performance-based

Table of Contents

compensation" exception, awards granted under the annual cash incentive plan and the STAP historically have not met all of the requirements for deductibility under the Code, and therefore may not be deductible, even though we consider annual cash incentive awards and STAP awards to be based on performance.

Beginning in 2015, our cash incentive structure was intended to enable us to deduct such awards paid to our Named Executive Officers. Furthermore, following shareholder approval of the 2015 SIP, we structured equity-based awards to our Named Executive Officers in a manner intended to be deductible by us. The rules and regulations promulgated under Section 162(m) of the Code are complicated, however, and subject to change from time to time, sometimes with retroactive effect. As such, there can be no guarantee that any award intended to qualify as performance-based compensation under Section 162(m) of the Code will so qualify. Furthermore, it is anticipated that changes to the tax laws effective as of January 1, 2018 that eliminate the exception for performance-based compensation will have an impact on Section 162(m) deductibility going forward. These changes could, but may not, impact compensation decisions for fiscal 2018 and beyond.

Table of Contents

COMPENSATION COMMITTEE REPORT

The Compensation Committee of our Board of Directors has reviewed and discussed the *Compensation Discussion and Analysis* required by Item 402(b) of Regulation S-K and contained within this Proxy Statement with management and, based on such review and discussions, our Compensation Committee recommended to our Board of Directors that the *Compensation Discussion and Analysis* be included in this Proxy Statement and incorporated into United Therapeutics' Annual Report on Form 10-K for the year ended December 31, 2017.

Submitted by the Compensation Committee:
Christopher Causey (Chair)
Judy Olian
Christopher Patusky
Louis Sullivan

Table of Contents

EXECUTIVE COMPENSATION

The following table shows compensation information for 2015, 2016 and 2017 for our Named Executive Officers, calculated in accordance with SEC regulations. We refer your attention to the *Supplementary 2017 Summary Compensation Table* that immediately follows for an understanding of 2017 compensation in a way that eliminates the effect of a one-time overlap in equity awards for the 2016 and 2017 performance periods, due to a transition in our equity compensation program to entirely performance-based awards using prospective performance conditions.

Summary Compensation Table

Name and Principal Position	Year	Salary[1] ($)	Bonus ($)	Option/ STAP Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4] ($)	All Other Compensation[5] ($)	Total ($)
Martine Rothblatt	2017	$ 1,163,707[6]		$ 33,122,078	$ 1,598,163	$ 1,239,653	$ 9,600	$ 37,133,201
Chairman and Chief	2016	$ 1,226,949[6]		$ 12,583,891	$ 992,464	$ 611,425	$ 9,600	$ 15,424,329
Executive Officer	2015	$ 1,078,099[6]			$ 1,171,152		$ 18,626	$ 2,267,877
James Edgemond[7]	2017	$ 620,833		$ 6,583,317	$ 577,148	$ 854,747	$ 17,000	$ 8,653,045
Chief Financial Officer	2016	$ 591,014		$ 2,097,315	$ 360,000	$ 1,039,675	$ 21,450	$ 4,109,454
and Treasurer	2015	$ 380,146		$ 2,402,371	$ 216,000	N/A	$ 13,400	$ 3,011,917
Michael Benkowitz[8]	2017	$ 733,333		$ 9,017,790	$ 738,750	$ 1,043,171	$ 24,433	$ 11,557,477
President and Chief Operating Officer	2016	$ 568,417		$ 3,570,563	$ 416,000	$ 508,653	$ 287,522	$ 5,351,155
Paul Mahon	2017	$ 815,950		$ 9,977,780	$ 656,256	$ 1,399,858	$ 21,600	$ 12,871,444
Executive Vice President	2016	$ 942,724		$ 5,243,288	$ 413,764	$ 1,006,819	$ 21,600	$ 7,628,195
and General Counsel	2015	$ 760,201		$ 6,954,075	$ 495,785	$ 303,644	$ 17,800	$ 8,531,505

(1) Increases in base salaries for each of our Named Executive Officers became effective on March 1, 2016 and 2017. In addition, increases in base salaries for Dr. Rothblatt became effective on January 1, 2015, and for Messrs. Mahon and Edgemond became effective on March 1, 2015. Finally, an additional salary increase for Mr. Benkowitz became effective June 26, 2016, upon his promotion to President and Chief Operating Officer, and Mr. Edgemond also received a base salary increase at that time. Therefore, a portion of the base salary shown for each year reflects the salary level for the previous year. In the case of Dr. Rothblatt and Messrs. Edgemond, Benkowitz and Mahon, amounts shown for 2016 also include $117,075, $60,074, $75,256 and $152,125 in accrued but unused vacation time that was cashed out in 2016 as a result of the elimination of our paid time off policy.

(2) Amounts shown represent the aggregate grant date fair value of stock options and STAP awards granted in each reported year, computed in accordance with applicable accounting standards. For a discussion of valuation assumptions for stock options and STAP awards for 2017 see Note 9 *Share-Based Compensation* to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. The stock options were awarded under our 2015 SIP and the STAP awards were granted under the STAP. 2017 was a transition year where we issued equity awards in March 2017 based on 2016 performance (based on the timing of our historical program), as well as awards reflecting each Named Executive Officer's 2017 equity award opportunity. See the *Grants of Plan-Based Awards in 2017* table for more information on stock options granted to our Named Executive Officers in 2017. The value of 2017 stock option awards with performance conditions are reported at target, calculated using the Black-Scholes-Merton value in accordance with GAAP. For awards granted in respect of the 2016 performance year, target and maximum are equivalent. For awards granted in respect of the 2017 performance year, the number of shares earned may exceed target for "stretch" performance, up to a maximum number of shares. If the maximum number of shares were used in calculating the Black-Scholes-Merton value of these awards, the grant date fair value would be as follows:

Name	Number of Shares (at target)	Grant-Date Fair Value (at target)	Number of Shares (at maximum)	Grant-Date Fair Value (at maximum)
Martine Rothblatt	244,122	$ 13,922,278	427,214	$ 24,447,015

James Edgemond	52,312	$	2,983,354	91,546	$	5,238,654
Michael Benkowitz	69,750	$	3,977,842	122,062	$	6,984,912
Paul Mahon	69,750	$	3,977,842	122,062	$	6,984,912

(3) Amounts shown for each year represent the total cash awards earned by each Named Executive Officer under our Company-Wide Milestone Program for the respective year, although the awards were not paid until March of the following year. The payouts were determined based on our attainment of specific, pre-established performance Milestones. For example, the amounts reported for

Table of Contents

2017 reflect cash earned in respect of 2017 performance but paid in March 2018. For information on the amounts earned for 2017, see the section entitled *Cash Incentive Award Program* in the *Compensation Discussion and Analysis* above.

(4) Amounts shown represent the change in the actuarial present value of retirement benefits under the SERP calculated in accordance with GAAP under SEC requirements. The assumptions used in calculating the change in the actuarial present value of SERP benefits are described in the footnotes to the *Pension Benefits* table below. Dr. Rothblatt's change in value was negative (-$245,203) and thus is reported as zero in 2015 in accordance with SEC rules. In addition, Mr. Edgemond was added to the SERP effective July 1, 2016. The change in pension value from year to year as reported in the table will vary based on these assumptions and may not represent the value that a Named Executive Officer will actually accrue or receive under the SERP.

(5) The amounts shown represent the aggregate incremental cost that can be attributed to lease, insurance and maintenance payments made on vehicles used by a Named Executive Officer or for monthly automobile allowances, and for travel expenses for family members to our functions (collectively, the perquisites), and "matching contributions" under our 401(k) Plan equal to 40% of each participant's qualifying salary contributions. In the case of Mr. Benkowitz, the amount shown also includes $275,322 in relocation benefits during 2016 and $6,233 in 2017, as Mr. Benkowitz relocated from California to North Carolina in connection with his promotion to President and Chief Operating Officer.

(6) Our Canadian subsidiary pays a portion of Dr. Rothblatt's total base salary in the amount of 120,000 Canadian dollars. The value of this portion in U.S. dollars has been estimated for the purposes of disclosure here by using the spot exchange rate on the dates on which Dr. Rothblatt was paid. In 2015, 2016 and 2017, our Canadian subsidiary paid the equivalent of US$93,699, US$89,308 and US$92,407 of Dr. Rothblatt's total base salary, respectively.

(7) Mr. Edgemond was promoted to Chief Financial Officer and Treasurer on March 13, 2015. Amounts reported for fiscal year 2015 reflect compensation paid to Mr. Edgemond during the entirety of 2015.

(8) Mr. Benkowitz was promoted to President and Chief Operating Officer effective June 26, 2016. Amounts reported for fiscal year 2016 reflect compensation paid to Mr. Benkowitz during the entirety of 2016.

Supplementary 2017 Summary Compensation Table

As noted above in the *Letter from our Compensation Committee Chairman*, 2017 reflected a transition year where we issued equity awards in March 2017 based on 2016 performance (based on the timing of our historical program), as well as awards reflecting each Named Executive Officer's 2017 equity award opportunity, all of which are subject to prospective, pre-established performance conditions. In order to provide a clear summary of 2017 compensation that eliminates the effect of this one-time overlap, the following table presents 2017 compensation information for each Named Executive Officer exactly as shown above in the *Summary Compensation Table*, except that the *Option/STAP Awards* column only shows the grant date value of the 2017 Milestone Performance Options and 2017 Cash Profit Performance Options. The equity awards granted in 2017 related to 2016 equity opportunities have been eliminated.

Name and Principal Position	Year	Salary[1] ($)	Bonus ($)	Option/ STAP Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4] ($)	All Other Compensation[5] ($)	Total ($)
Martine Rothblatt Chairman and Chief Executive Officer	2017	$ 1,163,707[6]		$ 13,922,278	$ 1,598,163	$ 1,239,653	$ 9,600	$ 17,933,401
James Edgemond Chief Financial Officer and Treasurer	2017	$ 620,833		$ 2,983,354	$ 577,148	$ 854,747	$ 17,000	$ 5,053,082
Michael Benkowitz President and Chief Operating Officer	2017	$ 733,333		$ 3,977,842	$ 738,750	$ 1,043,171	$ 24,433	$ 6,517,529
Paul Mahon Executive Vice President and General Counsel	2017	$ 815,950		$ 3,977,842	$ 656,256	$ 1,399,858	$ 21,600	$ 6,871,506

(1) Increases in base salaries for each of our Named Executive Officers became effective on March 1, 2017. Therefore, a portion of the base salary shown reflects the salary level for the previous year.

Table of Contents

(2)

Amounts shown represent the aggregate grant date fair value of stock options granted in 2017, computed in accordance with applicable accounting standards. No STAP Awards were granted in 2017. For a discussion of valuation assumptions for stock options for 2017 see Note 9 *Share-Based Compensation* to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. The stock options were awarded under our 2015 SIP. See the *Grants of Plan-Based Awards in 2017* table for more information on stock options granted to our Named Executive Officers in 2017. The value of 2017 stock option awards with performance conditions are reported at target, calculated using the Black-Scholes-Merton value in accordance with GAAP. For awards granted in respect of the 2017 performance year, the number of shares earned may exceed target for "stretch" performance, up to a maximum number of shares. If the maximum number of shares were used in calculating the Black-Scholes-Merton value of these awards, the grant date fair value would be as follows:

Name	**Number of Shares (at target)**	**Grant-Date Fair Value (at target)**	**Number of Shares (at maximum)**	**Grant-Date Fair Value (at maximum)**
Martine Rothblatt	244,122	$ 13,922,278	427,214	$ 24,447,015
James Edgemond	52,312	$ 2,983,354	91,546	$ 5,238,654
Michael Benkowitz	69,750	$ 3,977,842	122,062	$ 6,984,912
Paul Mahon	69,750	$ 3,977,842	122,062	$ 6,984,912

(3)

Amounts shown represent the total cash awards earned by each Named Executive Officer under our Company-Wide Milestone Program for the year, although the awards were not paid until March of the following year. The payouts were determined based on our attainment of specific, pre-established performance Milestones. For example, the amounts reported for 2017 reflect cash earned in respect of 2017 performance but paid in March 2018. For information on the amounts earned for 2017, see the section entitled *Cash Incentive Award Program* in the *Compensation Discussion and Analysis* above.

(4)

Amounts shown represent the change in the actuarial present value of retirement benefits under the SERP calculated in accordance with GAAP under SEC requirements. The assumptions used in calculating the change in the actuarial present value of SERP benefits are described in the footnotes to the *Pension Benefits* table below. The change in pension value from year to year as reported in the table will vary based on these assumptions and may not represent the value that a Named Executive Officer will actually accrue or receive under the SERP.

(5)

The amounts shown represent the aggregate incremental cost that can be attributed to lease, insurance and maintenance payments made on vehicles used by a Named Executive Officer or for monthly automobile allowances, and for travel expenses for family members to our functions (collectively, the perquisites), and "matching contributions" under our 401(k) Plan equal to 40% of each participant's qualifying salary contributions. In the case of Mr. Benkowitz, the amount shown also includes $6,233 in relocation benefits during 2017, as Mr. Benkowitz relocated from California to North Carolina in connection with his promotion to President and Chief Operating Officer.

(6)

Our Canadian subsidiary pays a portion of Dr. Rothblatt's total base salary in the amount of 120,000 Canadian dollars. The value of this portion in U.S. dollars has been estimated for the purposes of disclosure here by using the spot exchange rate on the dates on which Dr. Rothblatt was paid. In 2017, our Canadian subsidiary paid the equivalent of US$92,407 of Dr. Rothblatt's total base salary.

Table of Contents

Grants of Plan-Based Awards in 2017

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Stock Option Awards	Grant Date Fair Value of Stock Option Awards[6]
Name	**Grant Date**	**Threshold[5] ($)**	**Target[5] ($)**	**Maximum[5] ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**(#)**	**($/Sh)**	**($)**
Martine Rothblatt	03/15/17(1)							240,000	$ 146.03	$ 13,360,800
	03/15/17(2)				50,000	100,000	100,000		$ 146.03	$ 5,839,000
	03/15/17(3)				N/A	122,061	183,092		$ 146.03	$ 6,795,136
	03/15/17(4)				61,031	122,061	244,122		$ 146.03	$ 7,127,142
	N/A(5)	$ 649,000	$ 1,298,000	$ 1,947,000						
James Edgemond	03/15/17(1)							45,000	$ 146.03	$ 2,505,150
	03/15/17(2)				9,375	18,750	18,750		$ 146.03	$ 1,094,813
	03/15/17(3)				N/A	26,156	39,234		$ 146.03	$ 1,456,105
	03/15/17(4)				13,078	26,156	52,312		$ 146.03	$ 1,527,249
	N/A(5)	$ 234,375	$ 468,750	$ 703,125						
Michael Benkowitz	03/15/17(1)							63,000	$ 146.03	$ 3,507,210
	03/15/17(2)				13,125	26,250	26,250		$ 146.03	$ 1,532,738
	03/15/17(3)				N/A	34,875	52,312		$ 146.03	$ 1,941,491
	03/15/17(4)				17,438	34,875	69,750		$ 146.03	$ 2,036,351
	N/A(5)	$ 300,000	$ 600,000	$ 900,000						
Paul Mahon	03/15/17(1)							75,000	$ 146.03	$ 4,175,250
	03/15/17(2)				15,625	31,250	31,250		$ 146.03	$ 1,824,688
	03/15/17(3)				N/A	34,875	52,312		$ 146.03	$ 1,941,491
	03/15/17(4)				17,438	34,875	69,750		$ 146.03	$ 2,036,351
	N/A(5)	$ 266,500	$ 533,000	$ 799,500						

(1) This award of stock options represents 75% of the Named Executive Officer's 2016 equity incentive award opportunity, was awarded based upon 2016 performance under the Company-Wide Milestone Program, and vests in equal installments over a three-year period. As described in the *Compensation Discussion and Analysis* above, as a general matter, prior to fiscal 2017, awards to our Named Executive Officers with respect to the performance achieved in a given fiscal year were historically granted on March 15th of the following calendar year. As a result, as discussed in our 2017 Proxy Statement, these stock options were granted on March 15, 2017 based on the 2016 performance year.

(2) The award of stock options represents 25% of the Named Executive Officer's 2016 equity incentive award opportunity and is subject to a three-year performance threshold tied to average cash profit margin. To the extent earned, these stock options vest at the end of the three-year performance period. Target and maximum amounts are identical, given there was no additional incentive tied to above-target performance. As described in the *Compensation Discussion and Analysis* above, as a general matter, prior to fiscal 2017, awards to our Named Executive Officers with respect to the performance achieved in a given fiscal year were historically granted on March 15th of the following calendar year. As a result, as discussed in our 2017 Proxy Statement, these stock options were granted on March 15, 2017 in respect of 2016 performance.

(3) This award of stock options represents 50% of the Named Executive Officer's 2017 equity incentive award opportunity and was subject to a one-year performance period tied to achievement of the 2017 Company-Wide Milestones. To the extent earned, these stock options vest in equal installments over a three-year period from the date of grant. These awards do not have an overall threshold amount, although individual milestones within the 2017 Company-Wide Milestone program are each subject to performance threshold in order to receive partial credit for the respective milestone. See the *Compensation Discussion and Analysis* above for details on the achievement of the Company-Wide Milestones.

(4)

This award of stock options represents 50% of the Named Executive Officer's 2017 equity incentive award opportunity and is subject to a three-year performance threshold tied to average cash profit margin. To the extent earned, these stock options vest at the end of the three-year performance period.

(5)

Actual cash incentive awards earned under the program in 2017 are reported in the *Summary Compensation Table* under the column entitled "Non-Equity Incentive Plan Compensation."

(6)

The grant date fair value of stock options is generally the amount that we will recognize as an expense over the award's vesting period assuming target performance levels, computed in accordance with applicable accounting standards.

Table of Contents

Narratives to Summary Compensation Table and Grants of Plan-Based Awards in 2017 Table

Named Executive Officer Employment Agreements

The material terms of each Named Executive Officer's employment agreement are described below.

Dr. Rothblatt

In April 1999, we entered into an employment agreement with Dr. Rothblatt. This agreement was amended from time to time and we entered into an Amended and Restated Executive Employment Agreement with Dr. Rothblatt effective January 1, 2009 in order to clarify the effectiveness of certain prior amendments, and to make certain other immaterial amendments. This agreement was further amended effective January 1, 2015, to remove her entitlement to an annual grant of stock options based on a market capitalization growth formula and to provide flexibility for our company to grant her incentive-based compensation in a variety of forms in our Compensation Committee's discretion. The amendment also eliminated Dr. Rothblatt's right to an Internal Revenue Code Section 280G excise tax gross-up payment, among other changes.

Dr. Rothblatt's employment agreement provides for an initial five-year term, which is automatically extended for an additional year at the end of each year unless either party gives at least six months' notice of termination. If either party provided such a notice of termination, it would result in a four-year remaining term. We note that this rolling five-year term has no bearing on potential severance payments upon termination, which are described under *Potential Payments Upon Termination or Change in Control.*

Dr. Rothblatt's compensation in 2017 was paid pursuant to this employment agreement, which entitles her to a minimum base salary of $180,000, annual cash and long-term incentive compensation and participation in employee benefits generally available to other executives of our company. The level of Dr. Rothblatt's base salary is subject to annual review and increase by our Compensation Committee. Her annual salary was reviewed in early 2017, and beginning March 1, 2017, was set at $1,180,000. Her employment agreement also requires us to pay the cost of leasing, maintaining and insuring an automobile for Dr. Rothblatt.

Dr. Rothblatt's employment agreement prohibits her from engaging in activities competitive with us for five years following her last receipt of compensation from us. She is also subject to a permanent confidentiality obligation. For information regarding severance and change in control arrangements for Dr. Rothblatt, see the text following the *Potential Payments Upon Termination or Change in Control* table below.

Mr. Edgemond, Mr. Benkowitz and Mr. Mahon

We have entered into employment agreements with each of Messrs. Edgemond, Benkowitz and Mahon. The agreement for Mr. Mahon provides for an initial five-year term, which is automatically extended for an additional year at the end of each year. Either party may terminate the agreement a certain time period prior to an annual renewal, which would result in a four-year remaining term. The agreements for Messrs. Benkowitz and Edgemond provide an initial term of three years, following which the agreement continues from year-to-year for one-year terms unless either party provides written notice to terminate a certain time period prior to the end of the then-current term. Each employment agreement provides for an annual minimum base salary, which is subject to annual review and increase by our Compensation Committee. Annual salaries for each of these executives were

Table of Contents

reviewed in early 2017, with raises becoming effective March 1, 2017. The following table outlines these details for each executive:

Executive Officer	Month/Year of Agreement	Minimum Base Salary under Agreement		Base Salary as of March 1, 2017	
James Edgemond	March 2015	$	400,000	$	625,000
Michael Benkowitz	June 2016	$	650,000	$	750,000
Paul Mahon	June 2001	$	300,000	$	820,000

Under these agreements, each executive is eligible to participate in our broad-based employee benefit plans. In accordance with our executive automobile policy, we also pay the cost for leasing, maintaining and insuring an automobile for Messrs. Edgemond, Benkowitz and Mahon each receive a monthly car allowance of $1,000 per month.

Each of these employment agreements prohibits the executive from accepting employment, consultancy or any other business relationships with an entity that directly competes with us or from engaging in the solicitation of our employees on behalf of a competitor for a period of time following his last receipt of compensation from us (two years in the case of Mr. Mahon and one year in the case of Mr. Edgemond and Mr. Benkowitz). Each agreement includes an obligation of confidentiality for three years after termination of the executive's employment.

Messrs. Edgemond and Benkowitz are each party to a change in control severance agreement providing benefits in the event of his termination following a change in control of our company. In particular, these benefits include a cash severance payment equal to two times base salary, plus two times the highest of (i) the cash incentive award paid to the individual for the year immediately preceding the year in which the change in control occurs, (ii) the cash incentive award payable to the individual for the year immediately preceding the year in which the termination of employment occurs, or (iii) the individual's annual target cash incentive award. This cash severance would become payable in lieu of any severance payment under the respective employment agreements unless severance under the employment agreement would result in a greater benefit. The change in control severance agreement also provides for continuation of medical benefits for 24 months following termination, and outplacement benefits with a value of $10,000.

For further information regarding severance and change in control arrangements for these Named Executive Officers, see the text following the *Potential Payments Upon Termination or Change in Control* table below.

Summary of Terms of Plan-Based Awards

Equity Incentive Plan

For 2014 and prior years, Dr. Rothblatt was eligible to receive an annual award of options to purchase a number of shares of common stock equal to one-eighteenth of one percent of the increase in our market capitalization, calculated using the average closing price for the month of December versus the average measured in December of the prior year. Through the end of 2014, all of Dr. Rothblatt's stock options were awarded pursuant to our EIP, have a term of ten years and are fully vested and exercisable on the date of grant. The stock options have an exercise price equal to the closing price on the Nasdaq on the date of grant. Effective January 1, 2015, this entitlement was eliminated from her employment agreement, and the issuance of awards under the EIP was discontinued.

STAP Awards and Stock Options under the 2015 SIP

As described in the section entitled *Long-Term Incentive Award Compensation* in the *Compensation Discussion and Analysis* above, in 2015 our Named Executive Officers (other than Dr. Rothblatt) were

Table of Contents

granted STAP awards based on 2014 performance. The issuance of STAP awards was discontinued upon the approval of our 2015 SIP in June 2015. In 2017, our Named Executive Officers were granted stock options under our 2015 SIP.

These long-term incentive awards are granted annually, concurrently with the cash incentive award awards. The STAP awards convey the right to receive an amount in cash equal to the positive difference between the exercise price (which equals the closing price of our common stock on the date of grant) and the closing price of our common stock on the date of exercise. The fair value is based on the closing price of our common stock on the relevant grant date.

STAP awards granted to our Named Executive Officers in 2015 and stock options granted under the 2015 SIP in 2016 vest in one-fourth increments on the first four anniversaries of the date of grant, in each case subject to the Named Executive Officer's continued employment. Stock options granted under the 2015 SIP in 2017 vest in one-third increments on the first three anniversaries of the date of grant (in the case of stock options granted as a result of 2016 performance under our Company-Wide Milestone Program, and Milestone Performance Options granted with respect to 2017 performance, to the extent earned), or cliff vest on the third anniversary of the date of grant to the extent earned based on performance (in the case of Cash Profit Performance Options), in each case subject to the Named Executive Officer's continued employment. Each award has a ten-year term. For information regarding acceleration of vesting upon certain employment termination events, see the text following the *Potential Payments Upon Termination or Change in Control* table below.

Table of Contents

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table sets forth information regarding unexercised stock options or STAP awards held by each of our Named Executive Officers as of December 31, 2017.

Name and Grant Date	Award Type	Number of Securities Underlying Unexercised Options or STAP Awards (#) Exercisable	(#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option or STAP Award Exercise Price ($)	Option or STAP Award Expiration Date
Martine Rothblatt						
12/31/2009	Stock Option(1)	430,244			52.65	12/31/2019
12/31/2010	Stock Option(1)	364,834			63.22	12/31/2020
12/31/2012	Stock Option(1)	55,488			53.42	12/31/2022
12/31/2013	Stock Option(1)(2)	1,000,000			113.08	12/31/2023
12/31/2014	Stock Option(1)(2)	723,869			129.49	12/31/2024
03/15/2016	Stock Option(3)	73,500	220,500		120.26	03/15/2026
03/15/2017	Stock Option(4)		240,000		146.03	03/15/2027
03/15/2017	Stock Option(5)			100,000	146.03	03/15/2027
03/15/2017	Stock Option(6)		150,288		146.03	03/15/2027
03/15/2017	Stock Option(6)			32,804	146.03	03/15/2027
03/15/2017	Stock Option(5)			244,122	146.03	03/15/2027
James Edgemond						
01/14/2013	STAP Award(7)	5,000			52.12	01/14/2023
03/14/2014	STAP Award(3)	1,808	603		94.96	03/14/2024
03/13/2015	STAP Award(3)	12,500	12,500		163.30	03/13/2025
03/13/2015	STAP Award(3)	7,580	7,580		163.30	03/13/2025
03/15/2016	Stock Option(3)	12,250	36,750		120.26	03/15/2026
03/15/2017	Stock Option(4)		45,000		146.03	03/15/2027
03/15/2017	Stock Option(5)			18,750	146.03	03/15/2027
03/15/2017	Stock Option(6)		32,205		146.03	03/15/2027
03/15/2017	Stock Option(6)			7,029	146.03	03/15/2027
03/15/2017	Stock Option(5)			52,312	146.03	03/15/2027
Michael Benkowitz						
04/04/2011	STAP Award(3)	21,750			68.14	04/04/2021

03/15/2012	STAP Award(3)	6,450			47.50	03/15/2022
01/02/2013	STAP Award(8)		100,000		53.83	01/02/2023
03/15/2013	STAP Award(3)	18,400			61.06	03/15/2023
03/14/2014	STAP Award(3)	30,000	10,000		94.96	03/14/2024
03/13/2015	STAP Award(3)	18,600	18,600		163.30	03/13/2025
03/15/2016	Stock Option(3)	9,800	29,400		120.26	03/15/2026
06/24/2016	Stock Option(3)	13,125	39,375		102.11	06/24/2026
03/15/2017	Stock Option(4)		63,000		146.03	03/15/2027
03/15/2017	Stock Option(5)			26,250	146.03	03/15/2027
03/15/2017	Stock Option(6)		42,940		146.03	03/15/2027
03/15/2017	Stock Option(6)			9,372	146.03	03/15/2027
03/15/2017	Stock Option(5)			69,750	146.03	03/15/2027
Paul Mahon						
03/15/2011	STAP Award(3)	51,500			65.80	03/15/2021
03/15/2013	STAP Award(3)	115,000			61.06	03/15/2023
03/14/2014	STAP Award(3)	93,750	31,250		94.96	03/14/2024
03/13/2015	STAP Award(3)	58,124	58,126		163.30	03/13/2025
03/15/2016	Stock Option(3)	30,625	91,875		120.26	03/15/2026
03/15/2017	Stock Option(4)		75,000		146.03	03/15/2027
03/15/2017	Stock Option(5)			31,250	146.03	03/15/2027
03/15/2017	Stock Option(6)		42,940		146.03	03/15/2027
03/15/2017	Stock Option(6)			9,372	146.03	03/15/2027
03/15/2017	Stock Option(5)			69,750	146.03	03/15/2027

(1) These stock options were fully vested upon grant pursuant to Dr. Rothblatt's employment agreement.

Table of Contents

(2) These stock options have been transferred to trusts beneficially owned by Dr. Rothblatt and her spouse, for estate planning purposes.

(3) These stock options or STAP awards vest in one-fourth increments on each of the first four anniversaries of the date of grant.

(4) These stock options vest in one-third increments on each of the first three anniversaries of the date of grant.

(5) These stock options are subject to a three-year performance threshold tied to average cash profit margin. To the extent earned, these stock options vest at the end of the three-year performance period. Given performance to-date has fallen above target, the number of shares shown is at "maximum". The number of shares that are ultimately earned may be lower, depending on performance over the relevant three-year period.

(6) These stock options are subject to a one-year performance threshold tied to 2017 Company-Wide Milestone Performance. Once earned, shares vest in equal installments over a three-year period. The number of shares shown reflect the number of shares earned based on actual 2017 performance.

(7) One-time STAP award granted upon Mr. Edgemond's commencement of employment, which vested in full on February 28, 2015.

(8) Vested in full on January 2, 2018.

Option Exercises and Stock Vested in 2017

The following table shows (i) the number of shares of our common stock acquired upon exercise of stock options; and (ii) the number of STAP awards exercised by each of our Named Executive Officers during the year ended December 31, 2017.

	Option Awards		**STAP Awards**	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)[1]**	**Number of STAP Awards Exercised (#)**	**Value Realized on Exercise ($)[1]**
Martine Rothblatt	110,273	$ 10,942,594		$
James Edgemond		$		$
Michael Benkowitz		$		$
Paul Mahon		$	144,000	$ 11,220,200

(1) Represents the difference between the exercise price of the stock options or STAP award and the fair market value of our common stock on the date of exercise, multiplied by the number of options or STAP awards exercised. STAP awards convey the right to receive an amount in cash equal to the positive difference between the exercise price and the closing price of our common stock on the date of exercise.

Pension Benefits in 2017

The table below describes the present value of the accumulated benefit for our Named Executive Officers under the SERP.

Name	**Plan Name**	**Number of Years of Credited Service[1]**	**Actual Years of Service[2]**	**Present Value of Accumulated Benefit ($)[3]**
Martine Rothblatt	SERP	15.0	21.5	$ 16,436,226
James Edgemond	SERP	4.9	5.0	$ 1,894,422
Michael Benkowitz	SERP	6.7	6.7	$ 2,345,764
Paul Mahon	SERP	15.0	16.5	$ 10,213,749

(1) Reflects the number of years (up to the maximum of 15 years under the terms of the SERP) since each Named Executive Officer commenced employment with us, through December 31, 2017.

Table of Contents

(2) Reflects the number of years since each Named Executive Officer commenced employment with us, through December 31, 2017.

(3) The present values of accumulated benefits are based on assumptions used in the financial disclosures for the year ended December 31, 2017 including a discount rate of 3.36% and a lump sum rate of 3.75%. The present value represents the lump sum value of the accrued benefit which is based on service and earnings as of December 31, 2017, and assumes payment at age 60, the normal retirement date under the Plan. No preretirement death, disability, or termination is assumed. For a discussion of valuation assumptions, see Note 12 *Employee Benefit Plans* to the consolidated financial statements included in our Annual Report on Form 10 K for the year ended December 31, 2017.

Supplemental Executive Retirement Plan

In 2006, our Compensation Committee approved our SERP, which is a non-qualified supplemental defined benefit retirement plan for select key executives intended to enhance the long-term retention of individuals that have been and will continue to be vital to our success. Participants in the SERP generally must remain in the employ of our company or one of its affiliates until age 60 to receive a benefit except in the event of death, disability or a change in control of our company. If a participant terminates employment with us for any reason prior to age 60 (other than due to death or disability or following a change in control), no benefit will be paid. The benefit to be paid under the plan is based on when an executive commenced participation in the plan. In general, a participant will be eligible for an unreduced benefit under the plan after 15 years of service. Upon a change in control before a participant reaches age 60, he or she will immediately vest in and receive a prorated benefit based on years of service to date.

The SERP is administered by our Compensation Committee. Currently, our Named Executive Officers and four other members of senior management participate in the SERP. Each of our Named Executive Officers all eligible, upon retirement after the age of 60, to receive monthly payments equal to the monthly average of the total gross base salary received by the participant over his or her last 36 months of active employment (the Final Average Compensation), reduced by the participant's estimated social security benefit (determined as provided under the SERP), for the remainder of the participant's life (the aggregate amount of such payments, the Normal Retirement Benefit), commencing on the first day of the sixth month after retirement. For executives who began participating in the plan after July 1, 2006, the retirement benefit is generally calculated as 100% of the final three-year average gross base salary reduced by the estimated social security benefit they would receive in retirement, multiplied by a fraction (not to exceed 1) the numerator of which is their years of service and the denominator of which is 15 (the Normal Retirement Benefit). This means that for participants who have less than 15 years of service with us, the retirement benefit is prorated by the number of years of actual service divided by 15 years. By age 60, all of the current participants will have had 15 years of service if they remain employed by us. In the event of termination of employment due to disability prior to the age of 60 or death prior to retirement, a participant or the participant's beneficiary, as applicable, will be entitled to a percentage of the Normal Retirement Benefit, as determined under the SERP (the aggregate amount of such payments referred to as the Disability Retirement Benefit), commencing on the first day of the sixth month after termination of employment in the event of a Disability and as soon as administratively practicable in the event of death. All of our Named Executive Officers have elected to receive their benefit in the form of a lump sum, although they were also offered a choice of a single life annuity or an actuarially equivalent joint or survivor annuity.

In the event of a change in control, as defined in the SERP, a participant who is actively employed on the date of the change in control will be entitled to a lump sum payment equal to the actuarial equivalent present value of a monthly single life annuity equal to (1) the participant's Final Average

Table of Contents

Compensation, reduced by the participant's estimated future social security benefit (determined as provided under the SERP), multiplied by (2) a fraction (no greater than one), the numerator of which equals the participant's years of service and the denominator of which equals 15, to be paid as soon as administratively practicable following the change in control. In the event that a participant is entitled to a Normal Retirement Benefit or Disability Retirement Benefit at the time of a change in control, all such payments (or any remaining payments, with respect to any participant who is receiving payments under the SERP at the time of the change in control) will be made in a lump sum as soon as administratively practicable following such change in control.

Participants in the SERP will be prohibited from competing with us or soliciting its employees for a period of twelve months following his or her termination of employment (or, if earlier upon attainment of age 65). Violation of this covenant will result in forfeiture of all benefits under the SERP.

Rabbi Trust

In December 2007, our Compensation Committee adopted the United Therapeutics Corporation Supplemental Executive Retirement Plan Rabbi Trust Document (Rabbi Trust Document), providing for the establishment of a trust (Rabbi Trust), the assets of which will be contributed by us and used to pay benefits under the SERP. The Rabbi Trust Document was entered into between our company and Wilmington Trust Company, which will serve as trustee of the Rabbi Trust. The Rabbi Trust is irrevocable, and SERP participants will have no preferred claim on, nor any beneficial ownership interest in, any assets of the Rabbi Trust.

Currently, the Rabbi Trust does not contain any assets. Generally, we may contribute additional assets to the Rabbi Trust at our sole discretion. However, pursuant to the terms of the Rabbi Trust Document, within five days following the occurrence of a potential change in control (as defined in the Rabbi Trust Document), or if earlier, at least five days prior to the occurrence of a change in control (as defined in the Rabbi Trust Document), we will be obligated to make an irrevocable contribution to the Rabbi Trust in an amount sufficient to pay each SERP participant or beneficiary the benefits to which they would be entitled pursuant to the terms of the SERP on the date on which the change in control occurred. The Rabbi Trust will not terminate until the date on which SERP participants or their beneficiaries are no longer entitled to benefits pursuant to the terms of the SERP.

Potential Payments Upon Termination or Change in Control

Each of our Named Executive Officers is eligible to receive certain payments and benefits if his or her employment is involuntarily terminated without "Cause", terminated by the executive for "Good Reason", terminated by the executive voluntarily with continued status as a "Senior Advisor" to us, terminated due to disability or death, or terminated in connection with a "Change in Control" of our company in accordance with the applicable terms of their respective employment agreements, change in control severance agreements, the SERP, our equity compensation plans (the EIP and 2015 SIP) and related stock option agreements, and the STAP and related award agreements, as reported in the *Potential Payments Upon Termination or Change in Control* table below and described in the narrative table that follows. The summary of these benefits is qualified in its entirety by the specific language of the various agreements and plans that have been filed with the SEC. The amounts shown in the *Potential Payments Upon Termination or Change in Control* table below are estimates of the value of these payments and benefits, assuming that such termination or triggering event was effective as of December 31, 2017 (except as otherwise noted below with respect to those Named Executive Officers who terminated during the year). The actual compensation to be paid to a Named Executive Officer can only be determined at the time such Named Executive Officer's employment is terminated and may vary based on factors such as the timing during the year of any such event, our stock price, the executive officer's age, and any changes to our benefit arrangements and policies. In addition to the benefits described below, our Named Executive Officers will be eligible to receive any benefits accrued under our broad-based benefit plans, such as distributions under life insurance and disability benefit plans.

Table of Contents

Potential Payments Upon Termination or Change in Control

Executive Benefits and Payments Upon Separation	Involuntary Termination Without Cause/ Resignation for Good Reason/ Resignation While Continuing as Senior Advisor(1)	Disability	Death	Termination upon a Change in Control	Change In Control without Termination of Employment
Martine Rothblatt					
Salary and cash incentive	$ 7,867,232	$ 1,180,000	$ 1,180,000	$ 7,867,232	$
Stock option vesting acceleration(2)	7,227,160			7,227,160	7,227,160
Supplemental Executive Retirement Plan	16,436,226(3)	16,155,542	11,039,012	16,436,226	16,436,226
Health and other benefits(4)	122,728			122,728	
Total	$ 31,653,346	$ 17,335,542	$ 12,219,012	$ 31,653,346	$ 23,663,386
James Edgemond					
Salary and cash incentive	$ 123,288	$	$	$ 2,187,500	$
STAP award and stock option vesting acceleration(2)		1,272,400	1,272,400	1,272,400	1,272,400
Supplemental Executive Retirement Plan.		3,082,628	2,175,349	1,794,050	1,794,050
Health and other benefits(5)				48,719	
Total	$ 123,288	$ 4,355,028	$ 3,447,749	$ 5,302,669	$ 3,066,450
Michael Benkowitz					
Salary and cash incentive	$ 1,113,699	$	$	$ 2,700,000	$
STAP award and stock option vesting acceleration(2)		12,866,215	12,866,215	12,866,215	12,866,215
Supplemental Executive Retirement Plan.		3,457,676	2,464,759	2,177,236	2,177,236
Health and other benefits(5)				48,719	
Total	$ 1,113,699	$ 16,323,891	$ 15,330,974	$ 17,792,170	$ 15,043,451
Paul Mahon					
Salary and cash incentive	$ 2,549,549	$	$	$ 2,549,549	$
STAP award and stock option vesting acceleration(2)	4,537,876	4,537,876	4,537,876	4,537,876	4,537,876
Supplemental Executive Retirement Plan		10,226,799	7,039,354	9,853,466	9,853,466
Total	$ 7,087,425	$ 14,764,675	$ 11,577,230	$ 16,940,891	$ 14,391,342

(1) Benefits upon termination while continuing as a senior advisor are applicable only to employment agreements with Dr. Rothblatt and Mr. Mahon.

(2) The value shown is based on the positive difference between the aggregate exercise price of all accelerated stock options and/or STAP awards and the aggregate market value of the underlying shares calculated based on the closing market price of our common stock on December 31, 2017, $147.95. Per the terms of awards containing performance-vesting criteria, acceleration will result in the vesting of the "target" number of shares.

(3) Dr. Rothblatt's employment agreement provides for SERP benefits under her employment agreement upon reaching age 65, including three additional years of service. Given Dr. Rothblatt has attained retirement age and has already reached the maximum number of years of service under the SERP, this additional benefit is no longer applicable. As a result, the value included in this table represents the normal benefits Dr. Rothblatt would receive upon retirement, in accordance with the terms of the SERP.

(4) Represents the estimated value of continued health care benefits for a three-year period after termination, outplacement services for 12 months and the fair value of one currently leased vehicle.

(5) Represents the estimated value of continued health care benefits for a two-year period after termination and outplacement services equal to $10,000.

Table of Contents

Severance and Change in Control Payments to Named Executive Officers

Provision	**Terms Applicable to Chairman and CEO**	**Terms Applicable to Mr. Mahon**
Payments Upon Involuntary Termination without Cause, or Resignation for Good Reason, or Resignation while Continuing as Senior Advisor	Lump sum prorated cash incentive and incentive payment[*]	Lump sum payment equal to 2.0 times: (i) current base salary; plus (ii) annual cash incentive award[*]
	Lump sum payment equal to 3.0 times base salary + 3.0 times annual cash incentive award[*]	Immediate vesting of unvested stock options and STAP awards
	Continuation of health care benefits for 36 months, outplacement services for 12 months and the transfer of one currently leased vehicle	
	Immediate vesting of unvested stock options	
Payments Upon Disability	Continued payment of current base salary through the end of the calendar year following such disability	Immediate vesting of unvested stock options and STAP awards
	Acceleration of SERP benefits	Acceleration of SERP benefits
	Immediate vesting of unvested stock options	
Payments Upon Death	Continued payment of current base salary through the end of the calendar year following such death to Executive's legal representatives	Immediate vesting of unvested stock options and STAP awards
	Acceleration of SERP benefits	Acceleration of SERP benefits
	Immediate vesting of unvested stock options	

Payments Upon Change in Control without Termination	Acceleration of SERP benefits	Acceleration of SERP benefits
	Immediate vesting of unvested stock options (if not assumed)	Immediate vesting of unvested stock options and STAP awards (if not assumed)
Payments Upon Termination Following Change in Control	Same as Payments Upon Involuntary Termination, etc., except that payment of SERP benefits occurs immediately, and is calculated as described above under *Supplemental Executive Retirement Plan*	Same as Payments Upon Involuntary Termination, etc.
		Acceleration of SERP benefits

* Payment is equal to greater of payment for the prior year, or the average of such payments for the prior two years.

Table of Contents