

SANGAMO BIOSCIENCES INC
Form PRE 14A
February 28, 2014

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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SANGAMO BIOSCIENCES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

(3) Per unit price or other underlying value of the 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 the transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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:

SANGAMO BIOSCIENCES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held April 21, 2014

To the Stockholders of Sangamo BioSciences, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the Annual Meeting) of Sangamo BioSciences, Inc., a Delaware corporation (the Company, Sangamo or we), will be held on Monday, April 21, 2014, at 9:00 a.m. Pacific time at 501 Canal Boulevard, Richmond, California 94804, for the following purposes, as more fully described in the Proxy Statement accompanying this Notice:

1. To elect seven (7) directors to serve on the Board of Directors for a one-year term ending at the Annual Meeting held in 2015 or until their successors are duly elected and qualified;
2. To approve the compensation of the Company's named executive officers, as described in this Proxy Statement, on an advisory basis;
3. To approve an amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of common stock from 80,000,000 shares to 160,000,000 shares;
4. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2014; and
5. To transact such other business as may properly come before the meeting.

This Proxy Statement and related solicitation materials, including the annual report and proxy card, are being mailed on or about March 11, 2014 to all stockholders entitled to notice of, and to vote at, the Annual Meeting, only stockholders of record at the close of business on March 6, 2014 are entitled to notice of and to vote at the Annual Meeting. The stock transfer books of Sangamo will remain open between the record date and the date of the meeting. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at the executive offices of Sangamo. All stockholders are cordially invited to attend the meeting in person. To attend the meeting you will need a form of photo identification. If your shares are held in street name, you will also need to bring proof of your ownership of our common stock, such as your most recent brokerage statement. Whether or not you plan to attend the meeting, please vote as soon as possible.

Sincerely,

Edward O. Lanphier II
President and Chief Executive Officer

Richmond, California

March 11, 2014

Important Notice Regarding the Availability of Proxy Materials

For the Stockholder Meeting to be Held on April 21, 2014:

The Proxy Statement, Proxy Card and Annual Report on Form 10-K for 2013 are available at:

www.edocumentview.com/sgmo

YOUR VOTE IS VERY IMPORTANT

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, PLEASE READ THE ATTACHED PROXY STATEMENT CAREFULLY, COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE AND RETURN

IT IN THE ENCLOSED ENVELOPE. PLEASE REFER TO THE VOTING BY MAIL, VIA THE INTERNET OR BY TELEPHONE SECTION ON PAGE 3 OF THE PROXY STATEMENT FOR ALTERNATE VOTING METHODS.

SANGAMO BIOSCIENCES, INC.

501 Canal Boulevard

Richmond, California 94804

PROXY STATEMENT

FOR THE ANNUAL MEETING OF STOCKHOLDERS

To Be Held On April 21, 2014

General

The enclosed Proxy Statement (Proxy) is solicited on behalf of the Board of Directors of Sangamo BioSciences, Inc., a Delaware corporation (the Company , Sangamo or we), for use at the Annual Meeting of Stockholders to be held on Monday, April 21, 2014 (the Annual Meeting). The Annual Meeting will be held at 9:00 a.m. Pacific time at 501 Canal Boulevard, Richmond, California 94804. This Proxy Statement and related solicitation materials for the Annual Meeting are being mailed to stockholders on or about to March , 2014.

Voting

The specific proposals to be considered and acted upon at the Annual Meeting are summarized in the accompanying notice of Annual Meeting (the Notice) and are described in more detail in this Proxy Statement. On March 6, 2014, the record date for determination of stockholders entitled to notice of and to vote at the Annual Meeting, shares of Sangamo s common stock, par value \$0.01, were issued and outstanding. No shares of Sangamo s preferred stock, par value \$0.01, were outstanding. Each stockholder is entitled to one vote for each share of common stock held by such stockholder on March 6, 2014. Stockholders may not cumulate votes in the election of directors. All votes will be tabulated by the Inspector of Election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

Quorum and Broker Non-Votes

Holders of fifty percent (50%) of the outstanding shares of our common stock entitled to vote at the Annual Meeting on the record date must be present in person or represented by proxy at the Annual Meeting in order to have a quorum. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. If the persons present or represented by proxy at the Annual Meeting constitute the holders of less than fifty percent (50%) of the outstanding shares of our common stock as of the record date, the Annual Meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum.

Broker non-votes result from shares held of record by stock brokerage firms or financial institutions which are not voted due to the failure of the beneficial owners of those shares to provide voting instructions as to certain non-routine matters as to which such brokerage firms or financial institutions are not permitted to vote on a discretionary basis. Two matters to be submitted to stockholder approval at the Annual Meeting, the amendment to our Certificate of Incorporation to increase the authorized number of shares of common stock (Proposal No. 3) and ratification of the appointment of Ernst & Young LLP (Proposal No. 4), are considered routine matters and therefore brokerage firms or other financial institutions will not be precluded from voting in the absence of voting instructions from the beneficial owners of the share.

Votes Required for Each Proposal

The required vote for each of the proposals expected to be acted upon at the Annual Meeting is described below:

Proposal No. 1 Election of directors. Directors are elected by a plurality of affirmative votes of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting. Under this standard, the seven nominees receiving the highest number of affirmative votes will be elected. Withheld votes and broker non-votes will have no effect in Proposal No. 1.

Proposal No. 2 To approve, on an advisory basis, the compensation of our named executive officers. Approval of the advisory non-binding resolution regarding the compensation of the Company's named executive officers requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on Proposal No. 2. As a result, abstentions will have the same effect as voting against the proposal and broker non-votes will have no effect on the vote outcome.

Proposal No. 3 To approve an amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock from 80,000,000 shares to 160,000,000 shares. The affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote at the Annual Meeting is required to approve Proposal No. 3. As a result, abstentions will have the same effect as voting against the proposal. We do not expect broker non-votes in Proposal No. 3.

Proposal No. 4 Ratification of independent registered public accounting firm. This proposal must be approved by a majority of the shares present in person or represented by proxy and entitled to vote on the proposal. As a result, abstentions will have the same effect as voting against the proposal. We do not expect broker non-votes in Proposal No. 4.

Recommendations of the Board of Directors

After careful consideration, our Board of Directors has unanimously approved the proposals described in this Proxy Statement and their recommendations for each proposal are set forth below:

Proposal	Recommendation of the Board of Directors
1 Election of Directors	FOR all Nominees
2 To approve, on an advisory (non-binding) basis, the compensation of our named executive officers	FOR
3 To approve an amendment to our Certificate of Incorporation to increase the authorized number of shares of common stock from 80,000,000 shares to 160,000,000 shares	FOR
4 Ratification of the appointment of Ernst & Young LLP as our independent registered accounting firm for the year ending December 31, 2014.	FOR

Voting by Mail, via the Internet or by Telephone

You may vote by mailing a completed proxy card, by telephone or over the Internet. Should you receive more than one Proxy because your shares are registered in different names and addresses, each Proxy should be signed and returned or the shares represented thereby should be voted by telephone or over the Internet to assure that all your shares will be voted.

Registered Holders

If your shares are registered in your own name as a registered holder, you may vote by mailing a completed proxy card, via the Internet or by telephone. Instructions for voting via the Internet or by telephone are set forth in the proxy card attached to this Proxy Statement. To vote by mailing a proxy card, sign and return the enclosed proxy card in the enclosed prepaid and addressed envelope and your shares will be voted at the Annual Meeting in the manner you direct. In the event no directions are specified, the proxy holders will vote your shares in the manner recommended by our Board of Directors on all matters presented in this Proxy Statement and as the

proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting. If you are a registered holder and you do not return the proxy card, your shares will not be voted and will not be deemed present for the purpose of determining whether a quorum exists. You may revoke or change your proxy vote at any time before the Annual Meeting by sending a written notice of revocation or submitting another proxy with a later date to the Inspector of Elections of the Company at the Company's principal executive offices before the beginning of the Annual Meeting. You may also revoke your proxy vote by attending the Annual Meeting and voting in person.

Beneficial Owners

If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares over the Internet or by telephone rather than by mailing a completed voting instruction card provided by the bank or brokerage firm. Please check the voting instructions card provided by your bank or brokerage firm for availability and instructions. If Internet or telephone voting is unavailable from your bank or brokerage firm, please complete and return the enclosed voting instruction card in the self-addressed postage paid envelope provided.

Solicitation

Sangamo will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of this Proxy Statement and any additional solicitation materials furnished to the stockholders. Copies of solicitation materials will be furnished to brokerage firms, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, Sangamo may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, facsimile or other means by directors, officers, employees or agents of Sangamo. No additional compensation will be paid to these individuals for any such services.

Deadline for Receipt of Stockholder Proposals

Proposals of stockholders of Sangamo that are intended to be presented by such stockholders at Sangamo's Annual Meeting in 2015 must be received no later than _____, 2015, in order that they may be included in the Proxy Statement and form of Proxy relating to that meeting. In addition, the Proxy solicited by the Board of Directors for the Annual Meeting in 2015 will confer discretionary authority to vote on any stockholder proposal presented at that meeting, if Sangamo does not receive notice of such proposal prior to _____, 2015.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

General

At the Annual Meeting, seven (7) directors are to be elected to serve until the next Annual Meeting of Stockholders or until a successor for such director is duly elected and qualified, or until the death, resignation or removal of such director. The seven director nominees receiving the highest number of affirmative votes will be elected. The nominees for election have agreed to serve if elected, and management has no reason to believe that such nominees will be unavailable to serve. In the event the nominees are unable or decline to serve as directors at the time of the Annual Meeting, the proxies will be voted for any nominee who may be designated by the present Board of Directors to fill the vacancy. Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR the nominees named below.

Nominees for Term Ending Upon the Annual Meeting of Stockholders in 2015

Edward O. Lanphier II, age 57, the founder of Sangamo BioSciences, Inc., has served as our President, Chief Executive Officer and as a member of our Board of Directors since Sangamo's inception in 1995. Mr. Lanphier has over 30 years of experience in the pharmaceutical and biotechnology industry. From June 1992 to May 1997, he held various positions at Somatix Therapy Corporation, a gene therapy company, including Executive Vice President, Commercial Development and Chief Financial Officer. Prior to Somatix, Mr. Lanphier was President and Chief Executive Officer of BioGrowth, Inc., a biotechnology company that merged with Celtrix Laboratories to form Celtrix Pharmaceuticals, Inc. in 1991. From 1986 to 1987, Mr. Lanphier served as Vice President of Corporate Development at Biotherapeutics, Inc. From 1984 to 1986 he served as Vice President of Corporate Development at Synergen Inc. Prior to Synergen, he was employed by Eli Lilly and Company, a pharmaceutical company, in the strategic business planning biotechnology group. He currently serves on the board of directors of the Biotechnology Institute, the board of directors and as a member of the Executive Committee of the Alliance for Regenerative Medicine, the board of trustees for The Buck Institute for Research on Aging and the Dean's Advisory Board of the University of Michigan School of Public Health. Mr. Lanphier received a B.A. in biochemistry from Knox College. Mr. Lanphier brings extensive experience in executive management of biotechnology companies focused on the therapeutic development of biologics. In addition, Mr. Lanphier's day to day leadership and intimate knowledge of Sangamo's business and operations provide the Board with an in-depth understanding of the Company.

Paul B. Cleveland, age 57, has served as a member of our Board of Directors since November 2008. From February 2013 to August 2013, Mr. Cleveland was Executive Vice President, Corporate Strategy and Chief Financial Officer of Aragon Pharmaceuticals, a private biotechnology company focused on the development of small-molecule drugs for the treatment of hormone-dependent cancers. From April 2011 through February 2013 he served as General Partner and Chief Operating Officer of Mohr Davidow Ventures. From January 2006 through February 2011, Mr. Cleveland served as Executive Vice President, Corporate Development and Chief Financial Officer of Affymax, Inc., a biopharmaceutical company. From April 2004 to December 2005, he served as a managing director at Integrated Finance, Ltd., an investment bank. From September 1996 to April 2003, he served as a managing director at J.P. Morgan Chase and Co. (and a predecessor firm, Hambrecht & Quist), an investment bank. From January 1993 to September 1996, he was a partner at Cooley Godward LLP, a law firm. From December 1988 to December 1992, he was a corporate attorney at Sidley Austin LLP, a law firm, and from September 1981 to November 1988, he was a corporate attorney at Davis Polk & Wardwell, a law firm. Mr. Cleveland received a J.D. from Northwestern University School of Law and an A.B. from Washington University in St. Louis. Mr. Cleveland brings extensive experience in the areas of finance, investment banking and corporate and securities law to our Board. His experience as the chief financial officer of a biotechnology company provides additional insight to the Board on the operational, financial issues and best practices of such companies.

Stephen G. Dilly, M.B.B.S., Ph.D., age 54, has served as a member of our Board of Directors since March 2010. From January 2012 to December 2012, Dr. Dilly was Chief Executive Officer of PhotoThera, Inc., a medical device company. From 2006 to December 2011, Dr. Dilly served as President and Chief Executive Officer and a member of the board of directors of APT Pharmaceuticals, Inc., a drug development company. From 2007 to 2009, he served as a member of the board of directors of Avigen, Inc., a biopharmaceutical company which merged with MediciNova, Inc. in December 2009. From 2003 to 2006, he served as Chief Medical Officer and Senior Vice President of Development of Chiron BioPharma, a biotechnology company which was later acquired by Novartis International AG. From 1998 to 2003, he held various management positions at Genentech, Inc., including Vice President of Development Sciences from 2002 to 2003 and Vice President of Medical Affairs from 1998 to 2001. From 1988 to 1998, Dr. Dilly held various management positions in drug development with SmithKline Beecham in the U.K. During his career, Dr. Dilly has been closely associated with the development and launch of marketed drugs for many therapeutic areas, including Kytril, Paxil, Kredex, Requip, TNKase, Xolair, Avastin, Raptiva, Tarceva, Lucentis and Cubicin. Dr. Dilly currently serves as Executive Chairman of the Allergen Research Corporation Inc. In 1982, Dr. Dilly received an M.B.B.S., the equivalent of an M.D. in the U.S., from the University of London in the U.K. and a Ph.D. in cardiac physiology from University of London in 1988. Dr. Dilly brings medical expertise and significant drug development experience to our Board. Dr. Dilly's extensive experience in all stages of drug development, from project prioritization through clinical trial design and data analysis to product launch, provides the Board with valuable insight into this process as the Company continues to advance and develop our ZFP Therapeutic pipeline.

John W. Larson, age 78, has served as a member of our Board of Directors since January 1996. From February 2003 to December 2009, Mr. Larson served as a partner at the law firm of Morgan, Lewis & Bockius LLP. From 1969 to January 2003, Mr. Larson served as partner at the law firm of Brobeck, Phleger & Harrison LLP, except for the period from July 1971 to September 1973 when he was in government service as Assistant Secretary of the United States Department of the Interior and Counselor to George P. Shultz, Chairman of the Cost of Living Council. From 1988 until March 1996, Mr. Larson was Chief Executive Officer of Brobeck. Mr. Larson serves on the boards of directors of Needham Funds and WageWorks, Inc. and other organizations. Mr. Larson received a L.L.B. and a B.A., with distinction, in economics, from Stanford University. Mr. Larson's extensive legal career and business background and his experience on the boards of numerous public and private companies provides the Board with substantial expertise in corporate governance, securities law and corporate transactions.

Steven J. Mento, Ph.D., age 62, has served as a member of our Board of Directors since May 2005. Since July 2005, he has been serving as President and Chief Executive Officer of Conatus Pharmaceuticals Inc., a biotechnology company engaged in the development of human therapy for liver disease. From 1997 to 2005 he was President and Chief Executive Officer of Idun Pharmaceuticals. Prior to that, from 1982 to 1992, Dr. Mento held various positions at American Cyanamid Company, the last one being the Director of Viral Vaccine Research and Development at Lederle-Praxis Biologicals, a business unit of American Cyanamid Company. In January of 1992, he joined Viagene, Inc. as Vice President of Research and Development. Dr. Mento was responsible for directing the company's transition from basic research through initiation of the first company sponsored Phase I and Phase II clinical trials in the emerging field of gene therapy. In October of 1995, Chiron Corporation acquired Viagene, Inc., and renamed the company Chiron Viagene, Inc. Dr. Mento currently serves on the boards of BIOCOM, the BIOCOM Institute and the Biotechnology Industry Organization (BIO), as well as a member of the BIO ECS Governing Body, the BIO Health Section Governing Body, the Donald P. Shiley BioScience Center at SDSU Scientific Advisory Board and Cal State San Marcos Advisory Council. Dr. Mento received a B.A., M.S., and a Ph.D. in microbiology from Rutgers University. He completed his post-doctoral fellowship in somatic cell genetics at the University of Toronto. Dr. Mento's technical background and extensive operational experience in the early stages of the development of biologic drugs provide the Board with expertise in the management and development of our novel ZFP Therapeutic platform.

Saira Ramasastry, age 38, has served as a member of our Board of Directors since June 2012. Since April 2009 she has served as Managing Partner of Life Sciences Advisory, LLC, a company that she founded to provide strategic advice, business development solutions and innovative financing strategies for life science companies. From August 1999 to March 2009, Ms. Ramasastry was an investment banker with Merrill Lynch & Company, Inc. where she helped establish the biotechnology practice and was responsible for origination of mergers and acquisitions (M&A), strategic and capital markets transactions. Prior to joining Merrill Lynch she served as a financial analyst in the M&A group at Wasserstein Perella & Co., an investment banking firm, from July 1997 to September 1998. Ms. Ramasastry currently serves on the boards of directors of Pain Therapeutics, Inc., Repros Therapeutics Inc. and the American Liver Foundation, on the Industry Advisory Board of the Michael J. Fox Foundation for Parkinson's Research and as an advisor to Cure CMD. She received a B.A. in economics with honors and distinction and an M.S. in management science and engineering from Stanford University as well as an M. Phil. in management studies from the University of Cambridge in the U.K. Ms. Ramasastry's extensive experience in global healthcare investment banking and strategic advisory consulting provides valuable financial, commercial assessment and business development skills to the Board and her thorough understanding of the Company's technology and programs provides the Board with valuable insight in the development of our novel ZFP Therapeutic platform.

William R. Ringo, age 68, has served as Chairman of our Board of Directors since April 2010. From April 2008 until his retirement in April 2010, Mr. Ringo was Senior Vice President of Business Development, Strategy and Innovation at Pfizer Inc. and was responsible for guiding Pfizer's overall strategic planning and business development activities. Prior to joining Pfizer, he served as an executive in residence at Warburg Pincus and Sofinnova Ventures. From August 2004 to April 2006, Mr. Ringo was President and Chief Executive Officer of Abgenix, Inc., a biotechnology firm focused on developing human antibodies as agents to treat cancer and other serious diseases. At Abgenix, he led efforts to transform the organization into a more focused product company by strengthening the senior management team and enhancing an existing partnership with Amgen, which acquired Abgenix in 2006. Mr. Ringo began his career at Eli Lilly & Company in 1973 and during his 28-year tenure he held a number of senior positions, including Product Group President for Oncology and Critical Care, President of Internal Medicine Products, President of the Infectious Diseases Business Unit and Vice President of Sales and Marketing for U.S. Pharmaceuticals. He retired from Lilly in 2001. From 2001 to 2007, he served on various boards of directors, including Encysive Pharmaceuticals, Inc., Inspire Pharmaceuticals, Inc. and InterMune, Inc. where he was the non-executive chairman of the board of directors after serving as interim Chief Executive Officer from June to September 2003. Mr. Ringo served on the board of directors of Onyx Pharmaceuticals, Inc. from 2011 to 2013. He also serves on the board of directors of BioCrossroads, a public-private collaboration of corporate, university, government and entrepreneurial leaders that supports Indiana's life sciences research and corporate strengths in life sciences while encouraging business development in the region. Mr. Ringo is a senior advisor to Barclays Healthcare Group and a strategic advisor to Sofinnova Ventures. He received a B.S. in business administration and an M.B.A. from the University of Dayton. Mr. Ringo's extensive senior executive experience in both biotechnology and pharmaceutical companies provides valuable operational, commercial assessment, corporate leadership and management skills to the Board.

Board Independence

The Board of Directors has determined that each of its current and nominated directors is independent under applicable listing standard of NASDAQ Stock Market LLC (NASDAQ), except for Mr. Lanphier, who is the Chief Executive Officer of the Company.

Board Committees and Meetings

The Board of Directors held six meetings during the year ended December 31, 2013. The Board of Directors has an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a

Clinical Review Committee. Each director attended or participated in 75% or more of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board on which such director served during 2013.

Audit Committee

The Audit Committee currently consists of four directors: Mr. Cleveland, Dr. Dilly, Dr. Mento and Ms. Ramasastry. Our Board of Directors has determined that each member of the Audit Committee is independent under the applicable listing standard of NASDAQ and Securities and Exchange Commission (SEC) rules. Mr. Cleveland serves as the Chairman of this committee. The Board of Directors has determined that Mr. Cleveland is an audit committee financial expert as defined under SEC rules and has the requisite financial sophistication in accordance with the applicable NASDAQ listing standards. The Audit Committee held five meetings during 2013.

The Audit Committee assists the Board of Directors in its oversight of the integrity of the Company's financial statements, the risk management and internal controls of the Company and the Company's compliance with legal and regulatory requirements. The Audit Committee interacts directly with, and evaluates the performance of, the independent registered public accounting firm, including determining whether to engage or dismiss the independent registered public accounting firm and to monitor the independent registered public accounting firm's qualifications and independence. The Audit Committee also pre-approves all audit services and permissible non-audit services provided by the independent registered public accounting firm. The Audit Committee Report is included herein on page 45. The Audit Committee has a written charter which is available on our website at www.sangamo.com.

Compensation Committee

The Compensation Committee currently consists of three directors: Dr. Mento, Mr. Larson and Mr. Ringo, each of whom is independent under applicable listing standard of NASDAQ and SEC rules. Dr. Mento serves as the Chairman of this committee.

The Compensation Committee's responsibilities include (i) establishing, administering and reviewing compensation plans and programs for the Company's executive officers and other employees, including incentive and equity-based plans and programs; (ii) establishing compensation arrangements for the executive officers and setting the performance goals for their incentive compensation programs; (iii) evaluating the performance of executive officers and awarding incentive compensation; (iv) adjusting compensation arrangements as appropriate based upon performance and (v) reviewing and monitoring management development and succession plans and activities.

The Compensation Committee is authorized to engage, oversee and terminate independent compensation consultants and other professionals to assist in the design, formulation, analysis and implementation of compensation programs for the Company's executive officers and other key employees. The Compensation Committee engaged the services of Radford, an Aon Hewitt Company, (Radford) to provide advice and recommendations regarding the Company's 2013 equity grants, and 2013 base salaries and incentive compensation levels for all employees at the level of vice president and above. In August 2012, the Compensation Committee retained the services of Radford to advise the committee on the Company's overall compensation practices, including the following: (i) assessment of compensation levels and mix of elements for the Company's executive officers and vice presidents, (ii) executive compensation and governance trends based on peer group practices and market trends, (iii) development of company-wide cash and equity grant ranges based on the Company's job classification structure, and (iv) adoption of a 2013 equity incentive plan as a successor to the Company's 2004 Stock Incentive Plan. In addition, the Compensation Committee retained the services of Radford in September 2013 in order to (i) assess compensation levels and mix of elements for the

Company's executive officers and vice presidents, (ii) review the peer group companies selected in 2012 and recommend any changes to that list, and (iii) advise the committee on executive compensation and governance trends based on peer group trends and market practices.

The Compensation Committee held seven meetings and executed one unanimous written consent in lieu of a meeting during 2013. The Compensation Committee has a written charter, which is available on our website at www.sangamo.com.

Compensation Committee Interlocks and Insider Participation

None of our Compensation Committee members has been an officer or employee of Sangamo at any time. None of our executive officers serves on the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or our Compensation Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee currently consists of three directors: Mr. Larson, Mr. Cleveland and Mr. Ringo, each of whom is independent under applicable listing standard of NASDAQ. Mr. Larson serves as the Chairman of this committee. The Nominating and Corporate Governance Committee considers and periodically reports on matters relating to the size, identification, selection and qualification of the Board of Directors and candidates nominated for the Board of Directors and its committees, and develops and recommends governance principles and policies applicable to the Company.

The Nominating and Corporate Governance Committee held two meetings during 2013. The Nominating and Corporate Governance Committee has a written charter which is available on our website at www.sangamo.com. The Nominating and Corporate Governance Committee considers properly submitted stockholder recommendations for candidates for membership on the Board of Directors as described below under

Identification and Evaluation of Nominees for Directors. In evaluating such recommendations, the Nominating and Corporate Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors and to address the membership criteria set forth under Director Qualifications. Stockholder nominees will receive the same consideration that nominees of the Board receive. Any stockholder recommendations proposed for consideration by the Nominating and Corporate Governance Committee must provide all information requested by the Nominating and Corporate Governance Committee relating to such recommendation, including the candidate's name and qualifications for membership on the Board of Directors and should be addressed to Investor Relations at the following address:

Investor Relations Department

Sangamo BioSciences, Inc.

501 Canal Boulevard

Richmond, CA 94804

Director Qualifications

The Nominating and Corporate Governance Committee will use a variety of criteria to evaluate the qualifications and skills necessary for members of our Board of Directors. The Nominating and Corporate Governance Committee may assess character, judgment, business acumen and scientific expertise, and familiarity with issues affecting the biotechnology and pharmaceutical industries. Other qualifications will be determined on a case-by-case basis, depending on whether the Nominating and Corporate Governance Committee desires to fill a vacant seat or increase the size of the Board to add new directors. In addition, the Nominating and Corporate Governance Committee may also evaluate whether a potential director nominee's skills are complementary to existing Board members' skills or meet the Board's need for operations, management, commercial, financial or other expertise. While the Nominating and Corporate Governance

Committee does not prescribe specific diversity standards, as a matter of practice, the committee considers diversity in the context of the Board as a whole and takes into account the personal characteristics and experiences of current and prospective directors that reflect a broad range of perspectives in the Board's decision making process.

Identification and Evaluation of Nominees for Directors

The Nominating and Corporate Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Nominating and Corporate Governance Committee assesses the appropriate size of the Board of Directors, and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating and Corporate Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current members of the Board of Directors, executive recruiting firms, stockholders or other persons. These candidates are evaluated at regular or special meetings of the Nominating and Corporate Governance Committee, and may be considered at any point during the year. The Nominating and Corporate Governance Committee considers properly submitted stockholder recommendations for candidates for the Board of Directors. In evaluating such recommendations, the Nominating and Corporate Governance Committee uses the qualifications standards discussed above and seeks to achieve a balance of knowledge, experience and capability on the Board of Directors.

Clinical Review Committee

The Clinical Review Committee was established in September 2010 for the purpose of overseeing the ongoing and proposed human clinical trials of the Company. The Clinical Review Committee meets from time to time and its responsibilities include monitoring patient recruitment, clinical monitoring, data analysis, clinical data distribution and the review of study protocols. The Clinical Review Committee currently consists of three directors: Dr. Dilly, Mr. Lanphier and Ms. Ramasastry. Dr. Dilly serves as the Chairman of this committee.

Leadership Structure of the Board

Under our bylaws, the Board is not required to appoint our Chief Executive Officer as the Chairman of the Board, and the Board does not have a policy on whether or not the roles of Chief Executive Officer and Chairman of the Board should be separate. Currently two individuals serve these two positions. Mr. William Ringo serves as the Chairman of the Board. The Chairman is responsible for chairing Board meetings and meetings of stockholders, setting the agendas for Board meetings and providing information to the Board members in advance of meetings and between meetings. In addition, our Chief Executive Officer, Mr. Edward Lanphier, also serves as a director of our Board. The Board believes that Mr. Lanphier's membership as a director provides the Board with an in-depth understanding of our business operations because of his extensive experiences and knowledge of the day-to-day management of all aspects of our operations.

Of the seven directors on our board, six directors, including our Chairman of the Board, are independent under applicable NASDAQ corporate governance rules. The Board believes that this establishes a strong independent board that provides effective oversight of the Company. Moreover, in addition to feedback provided during the course of Board meetings, the independent directors conduct regular executive sessions without Mr. Lanphier or any other members of management. We believe that our leadership structure of the Board is appropriate given the nature and size our businesses as it provides both effective independent oversight and expertise in the complexity and management of our operations as a life sciences company.

Oversight of Risk Management by the Board

Our Board of Directors is generally responsible for the oversight of corporate risk in its review and deliberations relating to Company activities and has determined that the Company's principal source of risk falls into two categories, financial and product development and testing. The Audit Committee oversees management

of financial risks. Our Board of Directors regularly reviews information regarding the Company's cash position, liquidity and operations, as well as the risks associated with each. The Board regularly reviews plans, results and potential risks related to our lead therapeutic development programs and other preclinical programs as well as financial and strategic risk related to our Company's operations. In addition, the Board of Directors established the Clinical Review Committee in September 2010, which is responsible for, among other things, monitoring and reviewing risks associated with conducting clinical trials for our human therapeutic programs.

In addition, the Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines and policies and manages risks associated with the independence of the Board of Directors and potential conflicts of interest. Our Compensation Committee oversees risk management as it relates to our compensation plans, policies and practices for all employees, including executives, particularly whether our compensation programs may create incentives for our employees to take excessive or inappropriate risks which could have a material adverse effect on the Company. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks.

Annual Meeting Attendance

Although we do not have a formal policy regarding attendance by members of the Board of Directors at our annual meetings of stockholders, directors are encouraged to attend annual meetings of our stockholders. Six directors attended the 2013 Annual Meeting of Stockholders.

Communications with the Board of Directors

Although we do not have a formal policy regarding communications with the Board of Directors, stockholders may communicate with the Board of Directors, including the non-management directors, by sending a letter to the Sangamo Board of Directors, c/o Investor Relations, 501 Canal Boulevard, Richmond, California 94804. Stockholders who would like their submission directed to a particular member of the Board of Directors may so specify.

Code of Ethics

The Board of Directors has adopted a Code of Business Conduct and Ethics, which is applicable to all employees and directors of the Company. A copy of our Code of Business Conduct and Ethics is available on our website at www.sangamo.com in the Investor & Media Section under Corporate Governance. In the event that we make any amendments to or grant any waivers of, a provision of the Code of Ethics that applies to the principal executive officer, principal financial officer, or principal accounting officer that requires disclosure under applicable SEC rules, we intend to disclose such amendment or waiver and the reasons therefore, on our website at www.sangamo.com, in the Investor & Media section.

Director Compensation

The following table sets forth certain information regarding the compensation of each non-employee director for service as a member of the Board of Directors during 2013.

Name	Fees Earned or			Total (\$)
	Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$)	Option Awards (\$) ⁽²⁾ ⁽³⁾ ⁽⁴⁾	
Paul B. Cleveland.	49,000		54,662	103,662
Stephen G. Dilly, M.B.B.S., Ph.D.	52,500		54,662	107,162
John W. Larson	42,500		54,662	97,162
Steven J. Mento, Ph.D.	47,500		54,662	102,162
Saira Ramasastry.	45,000		54,662	99,662
William R. Ringo	84,000		54,662	138,662

- (1) Consists of the annual retainer fee for service as a member of the Board of Directors or any Board committee. For further information concerning such fees, see the section below entitled *Director Annual Retainer and Meeting Fees*.
- (2) Pursuant to the Automatic Grant Program in effect under the Company's 2013 Stock Incentive Plan, Mr. Cleveland, Dr. Dilly, Mr. Larson, Dr. Mento, Ms. Ramasastry and Mr. Ringo each received an option to purchase 10,000 shares of common stock with an exercise price per share of \$7.77 at the 2013 Annual Meeting, and each such option had an aggregate grant date fair value of \$54,662 without adjustment for estimated forfeitures.
- (3) As of December 31, 2013 the following non-employee directors held options to purchase the following number of shares of the Company's common stock: Mr. Cleveland, 20,000 shares; Dr. Dilly, 80,000 shares; Mr. Larson, 100,000 shares; Dr. Mento, 75,556 shares; Ms. Ramasastry, 60,000 shares and Mr. Ringo, 80,000 shares.
- (4) The amounts represent the aggregate grant date fair value of the awards in accordance with FASB Accounting Standards Codification Topic 718, or ASC 718, *Compensation - Stock Compensation*. The assumptions used in the calculation of such grant date fair values are described in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

Director Annual Retainer and Meeting Fees

Each non-employee Board member receives an annual cash retainer of \$30,000, subject to pro-ration for directors who either join or leave the Board during the year. To the extent that the Board meets more than ten times in any year, each member of the Board will receive, for each meeting in excess of ten, a per meeting fee of \$1,000 if attended in person and \$500 if attended by video or telephone conference. The Chairman of the Board receives an additional annual cash retainer of \$45,000. In addition, the non-employee Board members serving as the Chairman of the Audit Committee, the Chairman of the Clinical Review Committee, the Chairman of the Compensation Committee and the Chairman of the Nominating and Corporate Governance Committee receive an additional annual cash retainer of \$15,000, \$15,000, \$10,000 and \$7,500, respectively. Each non-employee Board member serving as a member of the Audit Committee, the Clinical Review Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, other than the Chairman, receives an additional annual cash retainer of \$7,500, \$7,500, \$5,000 and \$4,000, respectively.

The Automatic Grant Program under the Company's 2013 Stock Incentive Plan (the *2013 Plan*) provides the Compensation Committee with the ability to implement a program whereby directors are given the option to elect to convert their cash board retainer fees into RSU grants.

2013 Stock Incentive Plan

Under the Automatic Grant Program in effect under 2013 Plan, each new non-employee Board member receives, at the time of his or her initial election or appointment to the Board, an option to purchase 50,000 shares of common stock, provided such person has not previously been employed by the Company. In addition, on the date of each annual stockholders meeting, each continuing non-employee Board member who served as a director for the previous six months receives an option to purchase 10,000 shares of common stock. Each option granted under the Automatic Grant Program will have an exercise price per share equal to the fair market value per share of the Company's common stock on the grant date and will have a maximum term of 10 years, subject to earlier termination following the optionee's cessation of Board service. Each option is immediately exercisable for all the option shares, but any shares purchased under the option will be subject to repurchase by the Company, at the exercise price paid per share, upon the optionee's cessation of Board service prior to vesting in those shares. The shares subject to each automatic option grant will vest in successive equal monthly installments upon completion of each month of Board service over a designated period. For the initial grant, the designated vesting period is three years, and for the annual grant the designated vesting period is one year. However, the

shares subject to each automatic option grant will immediately vest upon (i) the optionee's death or permanent disability while serving as a Board member, (ii) an acquisition of the Company by merger or asset sale, (iii) the successful completion of a tender offer for more than 50% of the Company's outstanding voting stock or (iv) a change in the majority of the Board effected through one or more proxy contests for Board membership.

The Automatic Grant Program provide the Compensation Committees with discretion to grant, in lieu of the 50,000 share initial option grant and/or 10,000 share annual option grant that would otherwise be awarded under such program, a number of shares of restricted stock or restricted stock units (RSUs) to the non-employee directors with a fair market value substantially equal to the grant date fair value of the option that would otherwise be awarded. In addition, the Automatic Grant Program provides the Compensation Committee with the ability to implement a program whereby directors are given the option to elect to convert their cash board retainer fees into RSU grants.

Pursuant to the Automatic Grant Program under the 2013 Plan, on the date of the 2013 Annual Meeting Mr. Cleveland, Dr Dilly, Mr. Larson, Dr. Mento, Ms. Ramasastry and Mr. Ringo each received an option to purchase 10,000 shares of common stock each with an exercise price per share of \$7.77.

Recommendation of the Board of Directors

The Board of Directors recommends that the stockholders vote FOR the election of the nominees listed above. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the election of the nominees named above.

PROPOSAL NO. 2:

ADVISORY VOTE ON EXECUTIVE COMPENSATION

General

Pursuant to Section 14A(a)(1) of the Securities Exchange Act of 1934, as amended (the Exchange Act), the Company's stockholders are entitled to vote at the 2014 Annual Meeting to approve the compensation of the Company's named executive officers as disclosed in this Proxy Statement in accordance with the standards established under Item 402 of Regulation S-K under the Exchange Act. This proposal is commonly referred to as say-on-pay.

The stockholder vote on executive compensation is an advisory vote only, and it is not binding on the Company, the Company's Board of Directors or the Compensation Committee of the Board. Although the vote is non-binding, the Company's Board of Directors and the Compensation Committee of the Board value the opinions of the stockholders and will consider the outcome of the vote when making future compensation decisions affecting the Company's executive officers.

We encourage stockholders to read closely the Executive Compensation section of this Proxy Statement, beginning with the Compensation Discussion and Analysis (CD&A) on page 23, which describes in detail our executive compensation programs, policies and practices with respect to the compensation of our named executive officers in the fiscal year ended December 31, 2013.

The Company's overarching compensation goal is to reward our executive officers in a manner that supports a strong pay-for-performance philosophy, in order to create a positive relationship between the compensation program and the Company's operational performance and stockholder return, while maintaining an overall level of compensation that the Company believes is fair, reasonable and responsible.

We design our executive compensation program to implement our core objectives of attracting and retaining superior executive talent, motivating and rewarding executives whose knowledge, skills and performance are critical to our business, ensuring executive compensation is aligned with our corporate strategies and business objectives and aligning executives' incentives with the creation of shareholder value.

The Compensation Committee established the 2013 compensation program and the associated Company goals in accordance with the foregoing goals and philosophy. The Company's resulting business success in the 2013 year is summarized under the heading 2013 Business Highlights in the CD&A. We believe that the accomplishments are reflected in the increase in the Company's market capitalization during 2013.

Resolution

The Board is asking the Company's stockholders to indicate their support for the compensation of the Company's named executive officers, as described in this Proxy Statement, by casting a non-binding advisory vote FOR the following resolution:

Resolved that the Company's stockholders hereby approve the compensation paid to the Company's executive officers named in the Summary Compensation Table of this Proxy Statement, as that compensation is disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the various compensation tables and the accompanying narrative discussion included in this Proxy Statement.

The vote on this resolution is not intended to address any specific element of compensation; rather the vote relates to the overall compensation of the Company's named executive officers, and the philosophy, policies and practices described in this Proxy Statement in accordance with the compensation disclosure rules of the Securities and Exchange Commission.

The Board of Directors believes our executive compensation program uses appropriate structures and sound pay practices that are effective in achieving our core objectives.

Recommendation of the Board of Directors

The Board of Directors recommends an advisory vote FOR the resolution to approve the compensation of the named executive officers as disclosed in this Proxy Statement in accordance with the standards established under Item 402 of Regulation S-K under the Exchange Act. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the approval of such resolution.

PROPOSAL NO. 3:

**AMENDMENT OF CERTIFICATE OF INCORPORATION TO
INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK**

Introduction

Our Board of Directors has unanimously determined that it is in the best interests of the company and its stockholders to amend our Amended and Restated Certificate of Incorporation (the Certificate of Incorporation) to increase the number of authorized shares of our common stock from 80,000,000 shares to 160,000,000 shares, which will result in an increase of the total number of authorized shares of our capital stock from 85,000,000 shares to 165,000,000 shares.

Currently our Certificate of Incorporation authorizes an aggregate of 85,000,000 shares of capital stock, consisted of 80,000,000 shares of authorized common stock and 5,000,000 shares of authorized preferred stock. No shares of preferred stock are issued and outstanding and we are not proposing to increase the number of authorized preferred stock. As of February 10, 2014, we had 62,793,810 shares of common stock issued and outstanding and 8,963,071 shares subject to outstanding stock options and restricted stock units. As of February 10, 2014, we had 2,885,119 shares of common stock reserved for future issuance under our 2013 Stock Incentive Plan (the 2013 Plan) and 1,527,763 shares reserved for issuance under our 2010 Employee Stock Purchase Plan (the Purchase Plan). Accordingly, approximately 95% of our authorized shares of common stock have been issued or reserved for issuance, which leaves relatively few shares available to us, i.e., 3,830,237 shares, for future issuances for corporate purposes.

No other changes to the Certificate of Incorporation have been approved or are being proposed by our Board of Directors. To effectuate the increase of number of authorized shares of our common stock, Article IV, paragraph (a) of the Certificate of Incorporation is proposed to be amended as set forth below in its entirety:

A. Classes of Stock. The total number of shares of stock which the Corporation shall have authority to issue is one hundred and sixty five million (165,000,000), consisting of five million (5,000,000) shares of Preferred Stock, par value \$0.01 per share (the Preferred Stock), and one hundred and sixty million (160,000,000) shares of common stock, par value \$0.01 per share (the Common Stock).

A copy of the amendment proposed by the Company to the Article IV of the Certificate of Incorporation is attached to this Proxy Statement as Appendix A. For a description of the material terms and provisions of our common stock and each other class of our securities which qualifies or limits our common stock, please see the description of our capital stock in our Registration Statement on Form 8-A dated March 31, 2000.

Reasons for the Proposed Amendment

Given the small number of authorized shares currently available under our Certificate of Incorporation, we believe that an increase in the number of authorized shares of our common stock is critical to ensure that a sufficient number of shares is available for future issuances if and when our Board of Directors deems it to be in our and our stockholders' best interests. While we have no current plans to issue any shares that will be authorized if the increase is approved, we may use any of the increased shares at the time and in the manner approved by the Board of Directors, which may include raising capital through equity financing, executing strategic transactions or establishing collaborative relationships, acquiring businesses or assets and issuance of equity awards to employees. In addition, historically we have relied significantly on equity financing to fund our business operations and plan to do so in the future, therefore the increase of our authorized shares will provide us with the ability and flexibility to access capital when needed and available. We believe that if we do not obtain stockholder approval to increase the number of authorized shares of our common stock, our planned operations will be materially and adversely impacted.

Effects of Stockholder Approval of Increased Authorized Shares

If the proposed amendment is approved and adopted, the additional authorized shares of common stock may be issued from time to time by actions of our Board of Directors without further stockholder approval, except as required by law, regulatory authorities or NASDAQ corporate governance listing rules. The increase in authorized shares of common stock will not alter our current number of issued shares of common stock. The relative rights and limitations of the shares of common stock will remain unchanged under this amendment. The additional share of common stock to be authorized by stockholder approval under this Proposal No. 3 would have the rights identical to the currently outstanding shares of our common stock. Our stockholders will not realize any dilution in their percentage of ownership of us or their voting rights as a result of the increase. However, issuances of significant numbers of additional shares of common stock in the future may dilute stockholders' percentage ownership, and if such shares are issued at prices below what current stockholders paid for their shares, may dilute the value of current stockholders' shares. Under our Certificate of Incorporation, stockholders do not have preemptive rights to purchase additional securities that may be issued by us. This means that current stockholders do not have a prior right to purchase any new issuances of shares in order to maintain their proportionate ownership interests in the Company.

The additional shares of common stock that would become available for issuance may also be used to oppose a hostile takeover attempt or to delay or prevent changes in control of the company. For example, without further stockholder approval, the Board of Directors could strategically sell shares of common stock in a private transaction to purchasers who would oppose a takeover or favor the current Board of Directors. However, this proposal to increase authorized shares is prompted by business and financial considerations and not by the threat of any hostile takeover attempt, and we are not aware of any such attempts directed at us.

Votes Required

The affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote at the Annual Meeting is required to approve the amendment to our Certificate of Incorporation to effect the proposed increase in our authorized common stock. The amendment to the Certificate of Incorporation will be effective immediately upon acceptance of filing by the Secretary of State of Delaware following stockholder approval of this proposal.

Recommendation of the Board of Directors

The Board of Directors recommends that the stockholders vote FOR approval of the amendment to our Certificate of Incorporation to increase the number of authorized shares of our common stock from 80,000,000 shares to 160,000,000 shares, and proxies solicited by the Board of Directors will be voted in favor thereof, unless a stockholder has indicated otherwise on the proxy.

PROPOSAL NO. 4:**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors has appointed Ernst & Young LLP, independent registered public accounting firm for Sangamo during 2013, to serve in the same capacity for the year ending December 31, 2014, and is asking the stockholders to ratify this appointment. The decision of the Board of Directors to appoint Ernst & Young LLP was based on the recommendation of the Audit Committee. The affirmative vote of a majority of our shares of common stock present or represented by proxy and entitled to vote is required to ratify the appointment of Ernst & Young LLP.

In the event the stockholders fail to ratify the appointment, the Board of Directors will reconsider its selection. Even if the selection is ratified, the Board of Directors in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Board of Directors believes that such a change would be in the best interests of Sangamo and its stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

Principal Accounting Fees and Services

The following table presents fees for professional audit services rendered by Ernst & Young LLP for the audit of the Company's annual financial statements for 2013 and 2012, and fees billed for other services rendered by Ernst & Young LLP during 2013 and 2012:

	2013	2012
Audit Fees and expenses (1)	\$ 718,938	\$ 554,614
Audit related Fees		
Tax Fees (2)	45,000	35,000
All Other Fees		
Total	\$ 763,938	\$ 589,614

(1) Includes fees and expenses for the audit of our annual financial statements included in our Forms 10-K and the related audit of internal controls, review of interim financial statements included on Forms 10-Q, consultations regarding accounting and auditing matters, fees in connection with our underwritten public offering completed in September 2013, fees in connection with the filing of the Company's registration statements on Form S-3 and Form S-8 and services normally provided in connection with statutory and regulatory filings.

(2) Includes fees billed for professional services for tax compliance, tax advice and tax planning.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

Under its charter, the Audit Committee must pre-approve all engagements of the independent registered public accounting firm for the performance of all audit and non-audit services that are not prohibited and the fees for such services. The Audit Committee has delegated to its Chairman the authority to evaluate and approve service engagements on behalf of the full committee in the event a need arises for specific pre-approval between committee meetings. If the Chairman approves any such engagements, he will report that approval to the full Audit Committee not later than the next committee meeting.

The Audit Committee has determined that the rendering of other professional services for tax compliance and tax advice by Ernst & Young LLP is compatible with maintaining their independence. The Audit Committee

has established a policy governing our use of Ernst & Young LLP for non-audit services. Under the policy, management may use Ernst & Young LLP for non-audit services that are permitted under SEC rules and regulations, provided that management obtains the Audit Committee's approval before such services are rendered.

Recommendation of the Board of Directors

The Board of Directors recommends that the stockholders vote FOR the ratification of the appointment of Ernst & Young LLP to serve as Sangamo's independent registered public accounting firm for the year ending December 31, 2014. Unless otherwise instructed, the proxy holders named in each proxy will vote the shares represented thereby FOR the ratification of the appointment of Ernst & Young LLP in this proposal.

OTHER MATTERS

Sangamo knows of no other matters that will be