

XOMA Corp  
Form 4  
September 16, 2014

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BAKER BROS. ADVISORS LP

2. Issuer Name and Ticker or Trading Symbol  
XOMA Corp [XOMA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
667 MADISON AVENUE, 21ST FLOOR

3. Date of Earliest Transaction (Month/Day/Year)  
09/12/2014

Director  10% Owner  
 Officer (give title below)  Other (specify below)

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

NEW YORK, NY US 10065

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |            |   |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|------------|---|--|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |            |   |  |
| Common Shares <sup>(1)</sup>    | 09/12/2014                           |  | A                              |   | 5,500   | A  | \$ 0                              | 2,843,653  | I | See footnote <sup>(2)</sup> <u>(3)</u> <u>(7)</u> <u>(8)</u> |
| Common Shares <sup>(1)</sup>    | 09/12/2014                           |  | A                              |   | 5,500   | A  | \$ 0                              | 19,781,670 | I | See footnote <sup>(2)</sup> <u>(4)</u> <u>(7)</u> <u>(8)</u> |
| Common Shares <sup>(1)</sup>    | 09/12/2014                           |  | A                              |   | 5,500   | A  | \$ 0                              | 524,349    | I | See footnote <sup>(2)</sup> <u>(5)</u> <u>(7)</u> <u>(8)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Non-Qualified Stock Option (right to buy)  | \$ 4.73  | 09/12/2014                           |  | A                              | 7,000<br><u>(6)</u>   | <u>(6)</u> 09/12/2024                                    | Common Stock 7,000  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| BAKER BROS. ADVISORS LP<br>667 MADISON AVENUE, 21ST FLOOR<br>NEW YORK, NY US 10065         | X             | X         |         |       |
| 667, L.P.<br>667 MADISON AVENUE 21ST FLOOR<br>NEW YORK, NY US 10065                        | X             | X         |         |       |
| Baker Brothers Life Sciences LP<br>667 MADISON AVENUE, 21ST FLOOR<br>NEW YORK, NY US 10065 | X             | X         |         |       |
| 14159, L.P.<br>667 MADISION AVENUE, 21ST FLOOR<br>NEW YORK, NY US 10065                    | X             | X         |         |       |
| Baker Bros. Advisors (GP) LLC<br>667 MADISION AVENUE 21ST FLOOR<br>NEW YORK, NY US 10065   | X             | X         |         |       |
| BAKER FELIX<br>667 MADISON AVENUE, 21ST FLOOR<br>NEW YORK, NY US 10065                     | X             | X         |         |       |

BAKER JULIAN  
 667 MADISON AVENUE, 21ST FLOOR X X  
 NEW YORK, NY US 10065

## Signatures

|  |            |
|--|------------|
| BAKER BROS. ADVISORS LP Name: Scott L. Lessing, Title: President /s/ Scott L. Lessing  | 09/16/2014 |
| __Signature of Reporting Person  | Date       |
| Baker Bros. Advisors LP, Mgmt. Co. and Inv. Adviser to 667, L.P., pursuant to authority granted by Baker Biotech Capital, L.P., GP to 667, L.P. Name: Scott L. Lessing, Title: President /s/ Scott L. Lessing  | 09/16/2014 |
| __Signature of Reporting Person  | Date       |
| Baker Bros. Advisors LP, Mgmt. Co. and Inv. Adviser to BAKER BROTHERS LIFE SCIENCES, L.P., pursuant to authority granted by Baker Brothers Life Sciences Capital, L.P., GP to Baker Brothers Life Sciences, L.P Name: Scott L. Lessing, Title: President /s/ | 09/16/2014 |
| __Signature of Reporting Person  | Date       |
| Baker Bros. Advisors LP, Mgmt. Co. and Inv. Adviser to 14159, L.P., pursuant to authority granted by 14159 Capital, L.P., GP to 14159, L.P. Name: Scott L. Lessing, Title: President /s/ Scott L. Lessing  | 09/16/2014 |
| __Signature of Reporting Person  | Date       |
| By: Baker Bros. Advisors (GP) LLC, Name: Scott L. Lessing, Title: President /s/ Scott L. Lessing   | 09/16/2014 |
| __Signature of Reporting Person  | Date       |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects 5,500 Restricted Stock Units ("Restricted Stock Units") payable solely in common shares which are scheduled to vest in substantially equal annual installments over three years beginning on May 28, 2015.  
  
Restricted Stock Units payable solely in common shares granted to Dr. Kelvin M. Neu, an employee of Baker Bros. Advisors LP (the "Adviser") on September 12, 2014 in his capacity as a director of XOMA Corporation ("the Issuer") pursuant to the Amended and Restated 2010 Long Term Incentive and Stock Award Plan. Dr. Neu serves on the Issuer's Board of Directors (the "Board") as a representative of the Funds (as defined below). Pursuant to the policies of the Adviser, Dr. Neu does not have any right to any of the Issuer's securities issued as part of his service on the Board, and the Funds (as defined below) are entitled to receive all the pecuniary interest in the securities issued. 667, L.P. ("667"), Baker Brothers Life Sciences, L.P. ("Life Sciences") and 14159, L.P. ("14159", and together with 667, and Life Sciences, the "Funds") each own an indirect proportionate pecuniary interest in the Restricted Stock Units. Solely as a result of Julian C. Baker's and Felix J. Baker's ownership interest in the general partners of the general partners of the Funds, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in the Restricted Stock Units.
  - (2) As a result of their ownership interest in Baker Biotech Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 2,843,653 shares of Common Stock of the Issuer beneficially owned by 667, a limited partnership of which the sole general partner is Baker Biotech Capital, L.P., a limited partnership of which the sole general partner is Baker Biotech Capital (GP), LLC, due to Baker Biotech Capital, L.P.'s right to receive an allocation of a portion of the profits from 667.
  - (3) As a result of their ownership interest in Baker Brothers Life Sciences Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 19,781,670 shares of Common Stock of the Issuer beneficially owned by Life Sciences, a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, due to Baker Brothers Life Sciences Capital, L.P.'s right to receive an allocation of a portion of the profits from Life Sciences.
  - (4) As a result of their ownership interest in 14159 Capital (GP), LLC, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in 524,349 shares of Common Stock of the Issuer beneficially owned by 14159, a limited partnership of

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which the sole general partner is 14159 Capital L.P., a limited partnership of which the sole general partner is 14159 Capital (GP), LLC, due to 14159 Capital, L.P.'s right to receive an allocation of a portion of the profits from 14159.

- (6) 7,000 non-qualified stock options ("Stock Options") convertible solely into common shares were granted to Dr. Neu, an employee of the Adviser in his capacity as a director of the Issuer. The Stock Options with a strike price of \$4.73 vest in 12 equal monthly installments beginning on September 12, 2014 and expire on September 12, 2024. Dr. Neu serves on the Board as a representative of the Funds and their affiliates. Pursuant to the policies of the Adviser, Dr. Neu does not have any right to any of the Issuer's securities issued as part of his service on the Board, and the Funds are entitled to receive all the pecuniary interest in the securities issued. The Funds each own an indirect proportionate pecuniary interest in the Stock Options. Solely as a result of Felix J. Baker's and Julian C. Baker's ownership interest in the general partners of the general partners of the Funds, Felix J. Baker and Julian C. Baker may be deemed to have an indirect pecuniary interest in the Stock Options (i.e. no direct pecuniary interest).

- (7) The Adviser serves as the Investment Adviser to the Funds. In connection with the services provided by the Adviser, the Adviser receives an asset-based management fee that does not confer any pecuniary interest in the securities held by the Funds. Baker Bros. Advisors (GP) LLC (the "Adviser GP") is the Adviser's sole general partner. Julian C. Baker and Felix J. Baker are principals of the Adviser GP. The Adviser has complete and unlimited discretion and authority with respect to the investment and voting power of the securities held by the Funds. The general partners of the Funds have relinquished to the Adviser all discretion and authority with respect to the investment and voting power of the securities held by the Funds. Pursuant to agreements between Dr. Neu and the Adviser, the Adviser has investment and dispositive power over the Stock Options and Restricted Stock Units and any shares received as a result of the exercise of Stock Options or the vesting of Restricted Stock Units. Julian C. Baker, Felix J. Baker, the Adviser GP and the Adviser disclaim beneficial ownership of the securities held directly by the Funds except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that any of Julian C. Baker, Felix J. Baker, the Adviser GP or the Adviser is a beneficial owner of such securities for purposes of Section 16 or any other purpose.

- (8) The disclosure of the grant of Restricted Stock Units reported on this form is a single grant of 5,500 shares. The 5,500 shares is reported for each limited partnership as each has an indirect pecuniary interest.

### Remarks:

Dr. Kelvin M. Neu, an employee of Baker Bros. Advisors LP, is a director of XOMA Corporation (the "Issuer"). By virtue of I

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