RENASANT CORP
Form S-4
March 29, 2013
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As filed with the Securities and Exchange Commission on March 29, 2013

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

under

THE SECURITIES ACT OF 1933

RENASANT CORPORATION

(Exact name of registrant as specified in its charter)

MISSISSIPPI	**6022**	**64-0676974**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

209 Troy Street

Tupelo, Mississippi 38804-4827

(662) 680-1001

(Address, including zip code, and telephone number,

including area code, of registrant s principal executive offices)

E. Robinson McGraw

Renasant Corporation

209 Troy Street

Tupelo, Mississippi 38804-4827

(662) 680-1001

(Name, address, including zip code, and telephone number,

including area code, of agent for service)

Copies to:

Mark A. Fullmer, Esq.	**Hugh S. Potts, Jr.**	**Craig N. Landrum, Esq.**
Mark. W. Jeanfreau, Esq.	**First M&F Corporation**	**J. Andrew Gipson, Esq.**
Phelps Dunbar LLP	**134 West Washington Street**	**Jones Walker LLP**
365 Canal Street, Suite 2000	**Kosciusko, Mississippi 39090**	**190 E. Capitol Street, Suite 800**
New Orleans, Louisiana 70130	**(662) 289-5121**	**Jackson, Mississippi 39201**
(504) 566-1311		**(601) 949-4789**

Approximate Date of Commencement of Proposed Sale of the Securities to the Public:

As soon as practicable after the effective date of this Registration Statement and the satisfaction

or waiver of all other conditions to the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 143-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered(1)**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price**	**Amount of registration fee(2)(3)**
Common stock, par value $5.00 per share	6,200,000 shares	Not applicable	$135,744,479	$18,516

(1) This amount is based upon the maximum number of shares of Renasant Corporation common stock anticipated to be issued upon completion of the transactions contemplated in the Agreement and Plan of Merger dated as of February 6, 2013 by and among Renasant Corporation (Renasant), Renasant Bank, First M&F Corporation (First M&F) and Merchants and Farmers Bank. This number is based on the number of shares of First M&F common stock, par value $5.00 per share, outstanding and reserved for issuance under various plans and in connection with various convertible securities as of February 6, 2013, and the exchange of each such share of First M&F common stock for 0.6425 of a share of Renasant common stock pursuant to such merger agreement.

(2) Determined in accordance with Section 6(b) of the Securities Act of 1933, as amended, at a rate equal to $136.40 per $1,000,000 of the proposed maximum aggregate offering price.

(3) Pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, the registration fee is based on the average of the high and low prices per share of First M&F common stock as reported on the Nasdaq Global Select Market on March 27, 2013, and computed based on the estimated maximum number of shares (9,620,445) that may be exchanged for the Renasant common stock being registered, including shares issuable upon the exercise of outstanding options or other securities to acquire Renasant common stock.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell nor shall there be any sale of these securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 29, 2013

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On February 7, 2013, Renasant Corporation (Renasant) and First M&F Corporation (First M&F) announced a strategic business combination in which First M&F will merge with and into Renasant. We believe the proposed merger will result in a stronger financial institution, with a diverse revenue stream, a well-balanced loan portfolio and an attractive funding base. The combined company, which will retain the Renasant name, will have approximately $5.8 billion in assets and operate 116 branches across Mississippi, Tennessee, Alabama and Georgia. We are sending you this joint proxy statement/prospectus to invite you to attend a special meeting of shareholders being held by each company to allow you to vote on the merger agreement.

If the merger is completed, holders of First M&F common stock will receive 0.6425 of a share of Renasant common stock in exchange for each share of First M&F common stock held immediately prior to the merger, subject to the payment of cash in lieu of fractional shares. **The number of shares of Renasant common stock that First M&F shareholders will receive in the merger for each share of First M&F common stock is fixed. The implied value of the consideration First M&F shareholders will receive in the merger will change depending on changes in the market price of Renasant common stock and will not be known at the time you vote on the merger.**

Based on the 10-day average closing price of Renasant s common stock on the Nasdaq Global Select Market, or the Nasdaq, on February 4, 2013, three days before the public announcement of the merger, the 0.6425 exchange ratio represented approximately $12.35 in value for each share of First M&F common stock. Based on Renasant s closing price on , 2013 of $, the 0.6425 exchange ratio represented approximately $ in value for each share of First M&F common stock. Based on the 0.6425 exchange ratio and the number of shares of First M&F common stock outstanding and reserved for issuance in connection with various securities as of , 2013, the maximum number of shares of Renasant common stock issuable in the merger is approximately 6,200,000.

We urge you to obtain current market quotations for Renasant (trading symbol RNST) and First M&F (trading symbol FMFC) on the Nasdaq.

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of First M&F common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of First M&F common stock for shares of Renasant common stock in the merger, except with respect to any cash received in lieu of a fractional share of Renasant common stock.

At the special meeting of Renasant shareholders to be held on June , 2013, Renasant shareholders will be asked to vote to adopt and approve the agreement and plan of merger and certain other matters. Approval of the agreement and plan of merger requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present.

At the special meeting of First M&F shareholders to be held on June , 2013, holders of First M&F common stock will be asked to vote to adopt and approve the agreement and plan of merger and certain other matters. Holders of First M&F common stock will also be asked to approve, on an advisory (nonbinding) basis, the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger, which we refer to in this joint proxy statement/prospectus as the compensation proposal. Approval of each of the merger agreement and the compensation proposal requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Holders of First M&F s outstanding preferred stock are not entitled to and are not being requested to vote at the First M&F special meeting.

The Renasant board of directors recommends that Renasant shareholders vote FOR the adoption and approval of the agreement and plan of merger.

The First M&F board of directors recommends that First M&F common shareholders vote FOR the adoption and approval of the agreement and plan of merger and FOR the approval, on an advisory (nonbinding) basis, of the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger.

This document describes the special meetings, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including Risk Factors beginning on page 14 for a discussion of the risks relating to the proposed merger and owning Renasant common stock after the merger.** You also can obtain information about our companies from documents that each of us has filed with the Securities and Exchange Commission.

This joint proxy statement/prospectus is dated , 2013, and it is first being mailed to Renasant shareholders and First M&F shareholders, along with the enclosed form of proxy card, on or about , 2013.

E. Robinson McGraw	Hugh S. Potts, Jr.
Chairman of the Board of Directors, President and	Chairman of the Board of Directors and
Chief Executive Officer	Chief Executive Officer
Renasant Corporation	First M&F Corporation

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the Renasant common stock to be issued under this document or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The shares of Renasant common stock to be issued in the merger are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Renasant and First M&F from documents that Renasant and First M&F, respectively, have filed with the Securities and Exchange Commission and that has not been included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone or email from Renasant or First M&F, as the case may be, at the following addresses:

Renasant Corporation	**First M&F Corporation**
209 Troy Street	134 West Washington Street
Attn: Kevin D. Chapman	Attn: John G. Copeland
Chief Financial Officer	Chief Financial Officer
Tupelo, Mississippi 38804-4827	Kosciusko, Mississippi 39090
Phone: (662) 680-1450	Phone: (662) 289-8594
Email: KChapman@renasant.com	Email: jcopeland@mfbank.com

You will not be charged for any of these documents that you request. IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO PRIOR TO JUNE , 2013, IN ORDER TO RECEIVE THEM BEFORE THE SPECIAL MEETING.

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated , 2013, and you should assume that the information in this document is accurate only as of such date or such other date as is specified. You should assume that the information incorporated by reference into this document is only accurate as of the date of such document or such other date as is specified. Neither the mailing of this document to First M&F shareholders or Renasant shareholders nor the issuance by Renasant of shares of Renasant common stock in connection with the merger will create any implication to the contrary.

Information on the websites of Renasant or First M&F, or any subsidiary of Renasant or First M&F, is not part of this document. You should not rely on that information in deciding how to vote.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding First M&F has been provided by First M&F and information contained in this document regarding Renasant, as well as all pro forma information, has been provided by Renasant.

See Where You Can Find More Information on page of this joint proxy statement/prospectus for more information about the documents referred to in this joint proxy statement/prospectus.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on June , 2013

On June , 2013, Renasant Corporation (Renasant) will hold a **Special Meeting of Shareholders** at the principal offices of Renasant Bank, 209 Troy Street, Tupelo, Mississippi 38804-4827 at , local time, to consider and vote upon the following matters:

- a proposal to approve the Agreement and Plan of Merger, dated as of February 6, 2013, by and among Renasant, Renasant Bank, First M&F Corporation (First M&F) and Merchants and Farmers Bank, as it may be amended from time to time (referred to as the merger agreement);
- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- any other business properly brought before the special meeting or any adjournment or postponement thereof.

The attached joint proxy statement/prospectus describes the terms and conditions of the merger agreement and includes the complete text of the merger agreement as Annex A. We urge you to read the enclosed materials carefully for a complete description of the merger agreement and the merger. The accompanying joint proxy statement/prospectus forms a part of this notice.

The Renasant board of directors has fixed the close of business on , 2013, as the record date for the special meeting. Only Renasant shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. Approval of each of the proposals requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present.

Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible by accessing the internet site listed on the Renasant proxy card, by calling the toll-free number listed on the Renasant proxy card, or by submitting your proxy card by mail. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of record of Renasant common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

The Renasant board of directors has unanimously adopted and approved the merger agreement and recommends that Renasant shareholders vote FOR the approval of the merger agreement and FOR the adjournment of the Renasant special meeting if necessary or appropriate to permit further solicitation of proxies.

By Order of the Board of Directors
E. Robinson McGraw
Chairman of the Board of Directors, President and Chief Executive Officer

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR SHARES PROMPTLY.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on June , 2013

On June , 2013, First M&F Corporation (First M&F) will hold a **Special Meeting of Shareholders** at the Mary Ricks Thornton Cultural Center, located at the corner of East Washington Street and North Huntington Street, Kosciusko, Mississippi at , local time, to consider and vote upon the following matters:

- a proposal to approve the Agreement and Plan of Merger, dated as of February 6, 2013, by and among Renasant Corporation (Renasant), Renasant Bank, First M&F Corporation and Merchants and Farmers Bank, as it may be amended from time to time (referred to as the merger agreement);
- a proposal to approve, on an advisory (nonbinding) basis, the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger;
- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- any other business properly brought before the special meeting or any adjournment or postponement thereof.

The attached joint proxy statement/prospectus describes the terms and conditions of the merger agreement and includes the complete text of the merger agreement as Annex A. We urge you to read the enclosed materials carefully for a complete description of the merger agreement and the merger. The accompanying joint proxy statement/prospectus forms a part of this notice.

The First M&F board of directors has fixed the close of business on , 2013, as the record date for the special meeting. Only First M&F shareholders of record at that time are entitled to notice of, and, if a holder of First M&F common stock, to vote at, the special meeting, or any adjournment or postponement of the special meeting. Approval of each of the proposals requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present.

Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible by accessing the internet site listed on the First M&F proxy card, by calling the toll-free number listed on the First M&F proxy card, or by submitting your proxy card by mail. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of record of First M&F common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the special meeting in the manner described in the accompanying document.

The First M&F board of directors has unanimously adopted and approved the merger agreement and recommends that First M&F shareholders vote FOR the approval of the merger agreement, FOR the approval, on an advisory (nonbinding) basis, of the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger, and FOR the adjournment of the First M&F special meeting if necessary or appropriate to permit further solicitation of proxies.

By Order of the Board of Directors

Hugh S. Potts, Jr.

Chairman of the Board and
Chief Executive Officer

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR SHARES PROMPTLY.

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QUESTIONS AND ANSWERS

The following are answers to certain questions that you may have regarding the Renasant special meeting, the First M&F special meeting and the merger. We urge you to read carefully the remainder of this document (including the risk factors beginning on page 14) because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference in, this document.

Q: What are holders of First M&F common stock being asked to vote on?

A: Holders of First M&F common stock are being asked to vote (1) to adopt and approve an agreement and plan of merger by and among Renasant, Renasant Bank, First M&F and Merchants and Farmers Bank (M&F Bank), (2) to approve, on an advisory (nonbinding) basis, the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger and (3) to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the adoption and approval of the merger agreement. Throughout the remainder of this joint proxy statement/prospectus, the agreement and plan of merger is referred to as the merger agreement and the proposal to approve, on an advisory (nonbinding) basis, the compensation that may be paid or become payable to First M&F named executive officers that is based on or otherwise relates to the merger is referred to as the compensation proposal . In the merger, First M&F will be merged with and into Renasant, and Renasant will be the surviving corporation. Immediately thereafter, M&F Bank will merge with and into Renasant Bank, and Renasant Bank will be the surviving bank. References to the merger refer to the merger of First M&F with and into Renasant, unless the context clearly indicates otherwise.

Q: What are holders of Renasant common stock being asked to vote on?

A: Holders of Renasant common stock are being asked to vote (1) to adopt and approve the merger agreement and (2) to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the adoption and approval of the merger agreement.

Q: What do holders of First M&F common stock need to do now?

A: After you have carefully read this document and have decided how you wish to vote your shares, indicate on your proxy card how you want your shares to be voted with respect to the adoption and approval of the merger agreement and approval of the adjournment of the First M&F special meeting if necessary or appropriate to solicit additional proxies. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote by telephone or through the internet. Submitting your proxy by internet, telephone or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the First M&F special meeting. Your proxy card must be received prior to the special meeting on June , 2013 in order to be counted. If you would like to attend the First M&F special meeting, see Can I attend the First M&F special meeting and vote my shares in person?

Q: What do Renasant shareholders need to do now?

A: After you have carefully read this document and have decided how you wish to vote your shares, indicate on your proxy card how you want your shares to be voted with respect to the adoption and approval of the merger agreement and approval of the adjournment of the Renasant special meeting if necessary or appropriate to solicit additional proxies. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote by telephone or through the internet. Submitting your proxy by internet, telephone or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the Renasant special meeting. Your proxy card must be received prior to the special meeting on June , 2013 in order to be counted. If you would like to attend the Renasant special meeting, see Can I attend the Renasant special meeting and vote my shares in person?

Q: Why is my vote as a holder of First M&F common stock important?

A: If you do not vote by proxy, telephone or internet or vote in person at the First M&F special meeting, it will be more difficult for First M&F to obtain the necessary quorum to hold its special meeting. In addition, approval of each of the merger agreement and the compensation proposal requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. **The First M&F board of directors recommends that you vote to adopt and approve the merger agreement and the compensation proposal.**

Q: Why is my vote as a Renasant shareholder important?

A: If you do not vote by proxy, telephone or internet or vote in person at the Renasant special meeting, it will be more difficult for Renasant to obtain the necessary quorum to hold its special meeting. In addition, approval of the merger agreement requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. **The Renasant board of directors recommends that you vote to adopt and approve the merger agreement.**

Q: What will happen if First M&F shareholders do not approve the compensation proposal at the special meeting?

A: Approval of the compensation proposal is not a condition to completion of the merger. The vote on this proposal is an advisory vote and will not be binding on First M&F (or the combined company that results from the merger) regardless of whether the merger agreement is approved. Accordingly, because First M&F is contractually obligated to pay the compensation, if the merger agreement is approved and the merger is consummated, it is expected that the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory vote.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted, which will have the effect described below.

Q: What if I abstain from voting or fail to instruct my broker?

A: If you are a holder of First M&F common stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, referred to as a broker non-vote, the abstention or a broker non-vote will be counted toward a quorum at the First M&F special meeting, but it will have no effect on the vote to approve the merger agreement, the compensation proposal or the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies.

If you are a holder of Renasant common stock and you abstain from voting or fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, referred to as a broker non-vote, the abstention or a broker non-vote will be counted toward a quorum at the Renasant special meeting, but it will have no effect on the vote to approve the merger agreement or to approve the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies.

Q: Can I attend the First M&F special meeting and vote my shares in person?

A: Yes. All holders of First M&F common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the First M&F special meeting. Holders of record of First M&F common stock as of the record date can vote in person at the First M&F special meeting. If you choose to vote in person at the special meeting and if you are a registered shareholder of record, you should bring the enclosed proxy card and proof of identity. If you hold your shares in street name, you must obtain and bring a broker representation letter in your name from your bank, broker or other holder of record and proof of identity. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting, which will be printed on the meeting agenda. At the appropriate time during the special meeting, the shareholders present will be asked whether anyone wishes to vote in person. You should raise your hand at this time to receive a ballot to record your vote. Even if you plan to attend the special meeting, First M&F encourages you to vote by telephone, internet or mail so your vote will be counted if you later decide not to attend the special meeting.

Q: Can I attend the Renasant special meeting and vote my shares in person?

A: Yes. All holders of Renasant common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Renasant special meeting. Holders of Renasant common stock as of the record date can vote in person at the Renasant special meeting. If you choose to vote in person at the special meeting and if you are a registered shareholder of record or hold shares in the Renasant 401(k) plan or employee stock ownership plan, you should bring the enclosed proxy card and proof of identity. If you hold your shares in street name, you must obtain and bring a broker representation letter in your name from your bank, broker or other holder of record and proof of identity. Please show this documentation at the meeting registration desk to attend the meeting. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting, which will be printed on the meeting agenda. At the appropriate time during the special meeting, the shareholders present will be asked whether anyone wishes to vote in person. You should raise your hand at this time to receive a ballot to record your vote. Even if you plan to attend the special meeting, Renasant encourages you to vote by telephone, internet or mail so your vote will be counted if you later decide not to attend the special meeting.

Q: Is the merger expected to be taxable to First M&F shareholders?

A: Generally, no. The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and holders of First M&F common stock are not expected to recognize any gain or loss for United States federal income tax purposes on the exchange of shares of First M&F common stock for shares of Renasant common stock in the merger, except with respect to cash received in lieu of a fractional share of Renasant common stock. You should read United States Federal Income Tax Consequences of the Merger beginning on page for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to determine the specific tax consequences of the merger to you.

Q: If I am a holder of First M&F common stock, can I change or revoke my vote?

A: Yes. You may revoke any proxy at any time before it is voted in any of the following ways: (1) by personally appearing and choosing to vote at the special meeting, if you are the shareholder of record, or you obtain and bring a broker representation letter in your name from your bank, broker or the holder of record and, in all cases, you bring proof of identity; (2) by written notification to First M&F which is received prior to the exercise of the proxy; or (3) by a subsequent proxy executed by the person executing the prior proxy and presented at the special meeting. First M&F shareholders may send their written revocation letter to First M&F Corporation, Attention: Corporate Secretary, 134 West Washington Street, Kosciusko, Mississippi 39090. If you have voted your shares through the internet, you may revoke your prior internet vote by recording a different vote using internet voting, or by signing and returning a proxy card dated as of a date that is later than your last internet vote. If you have voted your shares through a telephone call, you may revoke your prior telephone vote by calling the toll-free number listed on the First M&F proxy card and recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last telephone vote.

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Any shareholder entitled to vote in person at the First M&F special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: If I am a holder of Renasant common stock, can I change or revoke my vote?

A: Yes. You may revoke any proxy at any time before it is voted in any of the following ways: (1) by personally appearing and choosing to vote at the special meeting, if you are the shareholder of record or hold shares in the Renasant 401(k) plan or employee stock ownership plan, or you obtain and bring a broker representation letter in your name from your bank, broker or the holder of record and, in all cases, you bring proof of identity; (2) by written notification to Renasant which is received prior to the exercise of the proxy; or (3) by a subsequent proxy executed by the person executing the prior proxy and presented at the special meeting. Renasant shareholders may send their written revocation letter to Renasant Corporation, Attention: Secretary, 209 Troy Street, Tupelo, Mississippi 38804-4827. If you have voted your shares through the internet, you may revoke your prior internet vote by recording a different vote using internet voting, or by signing and returning a proxy card dated as of a date that is later than your last internet vote. If you have voted your shares through a telephone call, you may revoke your prior telephone vote by calling the toll-free number listed on the Renasant proxy card and recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last telephone vote.

Any shareholder entitled to vote in person at the Renasant special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: If I am a holder of First M&F common stock with shares represented by stock certificates, should I send in my First M&F stock certificates now?

A: No. You should not send in your First M&F stock certificates at this time. After completion of the merger, Renasant will cause instructions to be sent to you for exchanging First M&F stock certificates for shares of Renasant common stock in book-entry form and cash to be paid in lieu of a fractional share of Renasant common stock. The shares of Renasant common stock that First M&F shareholders will receive in the merger will be issued in book-entry form. Please do not send in your stock certificates with your proxy card.

Q: What should I do if I hold my shares of First M&F common stock in book-entry form?

A: You are not required to take any specific actions if you hold your shares of First M&F common stock in book-entry form. After the completion of the merger, shares of First M&F common stock held in book-entry form will automatically be exchanged for shares of Renasant common stock in book-entry form and cash to be paid in lieu of a fractional share of Renasant common stock.

Q: Can I place my First M&F stock certificate(s) into book-entry form prior to merger?

A: Yes, First M&F stock certificates can be placed into book-entry form prior to merger. For more information, please contact Rhonda Mink at (662) 289-8508.

Q: Who can I contact if I cannot locate my First M&F stock certificate(s)?

A: If you are unable to locate your original First M&F stock certificate(s), you should contact Rhonda Mink at (662) 289-8508.

Q: When do you expect to complete the merger?

A: We currently expect to complete the merger during the third quarter of 2013. However, we cannot assure you when or if the merger will occur. We must, among other things, first obtain the approvals of First M&F

shareholders and Renasant shareholders at their respective special meetings and the required regulatory approvals described below in Regulatory Approvals Required for the Merger beginning on page__ .

Q: Whom should I call with questions?

A: First M&F shareholders should contact John G. Copeland, First M&F s Chief Financial Officer, by telephone at (662) 289-8594, or First M&F s proxy solicitor, AST Phoenix Advisors, toll-free at (877) 478-5038.

Renasant shareholders should contact Kevin D. Chapman, Renasant s Chief Financial Officer, at (662) 680-1450.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents that are made part of this joint proxy statement/prospectus by reference to other documents filed with the Securities and Exchange Commission, which is sometimes referred to as the SEC, include various forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Renasant and First M&F that are subject to risks and uncertainties. Congress passed the Private Securities Litigation Act of 1995 in an effort to encourage corporations to provide information about companies anticipated future financial performance. This act provides a safe harbor for such disclosure, which protects the companies from unwarranted litigation if actual results are different from management expectations. This document reflects management s current views and estimates of future economic circumstances, industry conditions, company performance, and financial results. These forward-looking statements are subject to a number of factors and uncertainties which could cause Renasant s, First M&F s or the combined company s actual results and experience to differ from the anticipated results and expectations expressed in such forward-looking statements. Forward-looking statements speak only as of the date they are made and neither Renasant nor First M&F assumes any duty to update forward-looking statements. In addition to factors previously disclosed in Renasant s and First M&F s reports filed with the SEC and those identified elsewhere herein, these forward-looking statements include, but are not limited to, statements about (1) the expected benefits of the transaction between Renasant and First M&F and between Renasant Bank and M&F Bank, including future financial and operating results, cost savings, enhanced revenues and the expected market position of the combined company that may be realized from the transaction, and (2) Renasant s and First M&F s plans, objectives, expectations and intentions and other statements contained herein that are not historical facts. Other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, targets, projects or words of similar meaning generally are identify forward-looking statements. These statements are based upon the current beliefs and expectations of Renasant s and First M&F s management and are inherently subject to significant business, economic and competitive risks and uncertainties, many of which are beyond their respective control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from those indicated or implied in the forward-looking statements.

The following risks, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- the businesses of Renasant and First M&F may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected;
- the expected growth opportunities or costs savings from the transaction may not be fully realized or may take longer to realize than expected;
- revenues following the transaction may be lower than expected as a result of losses of customers or other reasons;
- deposit attrition, operating costs, customer loss and business disruption following the transaction, including difficulties in maintaining relationships with employees, may be greater than expected;
- governmental approvals of the transaction may not be obtained on the proposed terms or expected timeframe;
- Renasant s or First M&F s shareholders may fail to approve the transaction;
- the terms of the proposed transaction may need to be modified to satisfy such approvals or conditions;
- reputational risks and the reaction of the companies customers to the transaction;

diversion of management time on merger related issues;

changes in asset quality and credit risk;

inflation;

customer acceptance of the combined company s products and services;

customer borrowing, repayment, investment and deposit practices;

the outcome of pending litigation against, among others, First M&F and the current members of its board of directors;

the introduction, withdrawal, success and timing of business initiatives;

the impact, extent, and timing of technological changes;

a weakening of the economies in which the combined company will conduct operations may adversely affect its operating results;

the U.S. legal and regulatory framework, including those associated with the Dodd Frank Wall Street Reform and Consumer Protection Act, could adversely affect the operating results of the combined company;

the interest rate environment may compress margins and adversely affect net interest income; and

competition from other financial services companies in the combined company s markets could adversely affect operations.

Additional factors that could cause Renasant s, First M&F s or the combined company s results to differ materially from those described in the forward-looking statements can be found in Renasant s and First M&F s reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available at the SEC s website (www.sec.gov). All subsequent written and oral forward-looking statements concerning Renasant, First M&F or the proposed merger or other matters and attributable to Renasant, First M&F or any person acting on either of their behalf are expressly qualified in their entirety by the cautionary statements above. Renasant and First M&F do not undertake any obligation to update any forward-looking statement, whether written or oral, to reflect circumstances or events that occur after the date the forward-looking statements are made.

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SUMMARY

This summary highlights the material information from this document. It may not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer in order to fully understand the merger and the related transactions, including the risk factors set forth on page 14. See Where You Can Find More Information on page . We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.

In the Merger, Holders of First M&F Common Stock Will Have a Right to Receive 0.6425 of a Share of Renasant Common Stock per Share of First M&F Common Stock (page)

Renasant and First M&F are proposing the merger of First M&F with Renasant. If the merger is completed, First M&F will merge with and into Renasant, with Renasant being the surviving company, and First M&F common stock will no longer be publicly traded. Under the terms of the merger agreement, holders of First M&F common stock will have a right to receive 0.6425 (the exchange ratio) of a share of Renasant common stock for each share of First M&F common stock held immediately prior to the merger. Renasant will not issue any fractional shares of Renasant common stock in the merger. Instead, a holder of First M&F common stock who otherwise would have received a fraction of a share of Renasant common stock will receive an amount in cash. This cash amount will be determined by multiplying the fraction of a share of Renasant common stock to which the holder would otherwise be entitled by the average closing price of one share of Renasant common stock as reported on the Nasdaq for the 10 trading days immediately prior to the date on which the merger is completed, and then rounded to the nearest cent.

Example: If you hold 100 shares of First M&F common stock, you will have a right to receive 64 shares of Renasant common stock and a cash payment instead of the 0.25 of a share of Renasant common stock that you otherwise would have received.

The merger agreement between Renasant and First M&F governs the merger. The merger agreement is included in this document as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this document of the terms and conditions of the merger are qualified by reference to the merger agreement.

What Holders of First M&F Stock Options Will Receive (page)

Upon completion of the merger, each outstanding option or similar right to acquire First M&F common stock will convert into a fully vested and exercisable option to purchase a number of shares of Renasant common stock equal to the number of shares of First M&F common stock underlying such stock option or similar right immediately prior to the merger multiplied by the exchange ratio (rounded down to the nearest whole share), with an exercise price that equals the exercise price of such First M&F stock option or similar right immediately prior to the merger divided by the exchange ratio (rounded up to the nearest whole cent) and otherwise on the same terms and conditions as were in effect immediately prior to the completion of the merger.

Treatment of First M&F CDCI Preferred Stock and Related Warrant (page)

The merger agreement provides that each outstanding share of First M&F s Fixed Rate Cumulative Perpetual Preferred Stock, Class B Non-Voting, Series CD, stated liquidation amount $1,000 per share, issued to the U.S. Department of the Treasury, which we refer to as the U.S. Treasury, under its Community Development Capital Initiative (the First M&F CDCI Preferred Stock), as well as the related warrants held by the U.S. Treasury, will be either redeemed by First M&F or purchased by Renasant prior to the effective time of the merger. In the event this does not occur, then each share of First M&F CDCI Preferred Stock issued and outstanding prior to the effective time of the merger will be converted into the right to receive one share of preferred stock, par value $0.01 per share, of Renasant to be designated, prior to the closing date of the merger, as Fixed Rate Cumulative Perpetual Preferred Stock, Class B Non-Voting, Series CD, stated liquidation amount $1,000 per share, and the related warrant will be converted into a warrant to purchase Renasant common stock (after appropriate adjustments to the number of shares of Renasant common stock purchasable thereunder and the exercise price thereof to reflect the exchange ratio).

The Merger Is Intended to Be Tax-Free to First M&F Shareholders as to the Shares of Renasant Common Stock They Receive (page)

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to our respective obligations to complete the merger that each of Renasant and First M&F receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to you for United States federal income tax purposes as to the shares of Renasant common stock you receive in the merger, except for any gain or loss that may result from the receipt of cash in lieu of fractional shares of Renasant common stock that you would otherwise be entitled to receive. See United States Federal Income Tax Consequences of the Merger on page .

The United States federal income tax consequences described above may not apply to all holders of First M&F common stock. Your tax consequences will depend on your individual situation. Accordingly, First M&F strongly urges you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment of Merger (page)

The merger will be accounted for as an acquisition, as that term is used under accounting principles generally accepted in the United States of America, for accounting and financial reporting purposes.

Comparative Market Prices and Share Information (pages and)

Renasant common stock is listed on the Nasdaq under the symbol RNST. First M&F common stock is listed on the Nasdaq under the symbol FMFC. The following table shows the closing sale prices of Renasant common stock and First M&F common stock as reported on the Nasdaq on February 6, 2013, the last trading day before we announced the merger, and on , 2013, the last practicable trading day before the distribution of this document. This table also shows the implied value of the merger consideration proposed for each share of First M&F common stock, which we calculated by multiplying the 10-day average closing price of Renasant common stock as of February 4, 2013, which was $19.22, by the exchange ratio.

	Renasant Common Stock	First M&F Common Stock	Implied Value of One Share of First M&F Common Stock
February 6, 2013	$ 19.44	$ 8.45	$ 12.35
, 2013	$	$	$

The market price of Renasant common stock and First M&F common stock will fluctuate prior to the merger. First M&F shareholders and Renasant shareholders are urged to obtain current market quotations for the shares prior to making any decision with respect to the merger.

Keefe, Bruyette & Woods, Inc. Has Provided an Opinion to the First M&F Board of Directors Regarding the Merger Consideration (page and Annex B)

On February 6, 2013, Keefe, Bruyette & Woods, Inc., sometimes referred to as KBW, rendered its oral opinion to the board of directors of First M&F, subsequently confirmed in writing, that, as of such date and based upon and subject to the factors and assumptions described to the First M&F board during its presentation and set forth in its written opinion, the consideration to be paid to the holders of First M&F common stock in the proposed merger was fair, from a financial point of view, to holders of First M&F common stock. The full text of KBW s written opinion, which sets forth the assumptions made, matters considered and limits on the review undertaken in connection with the opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated by reference herein. First M&F shareholders are urged to read the opinion in its entirety. Pursuant to an engagement letter between First M&F and KBW, First M&F has agreed to pay KBW a customary transaction fee in connection with the merger, which is payable upon completion of the merger, and a fee for rendering its fairness opinion, which was paid upon the signing of the merger agreement. KBW s written opinion is addressed to the board of directors of First M&F, is directed only to the consideration to be paid in the merger and does not constitute a recommendation as to how any holder of First M&F common stock should vote with respect to the merger or any other matter. KBW has consented to the use of its opinion letter dated February 6, 2013 and the references to such letter in this joint proxy statement/prospectus.

Sandler O Neill + Partners, L.P. Has Provided an Opinion to the Renasant Board of Directors Regarding the Merger Consideration (page and Annex C)

In deciding to approve the merger, the Renasant board of directors considered the oral opinion of its financial advisor, Sandler O Neill + Partners, L.P., sometimes referred to as Sandler O Neill, provided to the Renasant board of directors on February 6, 2013 (subsequently confirmed in writing) that as of the date of the opinion, and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration payable to holders of First M&F common stock pursuant to the merger agreement was fair from a financial point of view to Renasant. A copy of the opinion is attached to this document as Annex C and is incorporated by reference herein. Renasant shareholders should read the opinion completely and carefully to understand the assumptions made, procedures followed, matters considered and limitations of the review undertaken by Sandler O Neill in providing its opinion. The opinion of Sandler O Neill will not reflect any developments that may occur or may have occurred after the date of its opinion and prior to the completion of the merger. Pursuant to an engagement letter between Renasant and Sandler O Neill, Renasant has agreed to pay Sandler O Neill a customary transaction fee in connection with the merger, which is payable upon completion of the merger, and a fee for rendering its fairness opinion, which was paid upon the signing of the merger agreement and which will be credited against the aforementioned transaction fee. Sandler O Neill addressed its opinion to the Renasant board of directors, and the opinion is not a recommendation as to how any shareholder of Renasant should vote with respect to the merger or any other matter or as to any action that a shareholder should take relating to the merger. Sandler O Neill has consented to the use of its opinion letter dated February 6, 2013 and the references to such letter in this document.

The First M&F Board of Directors Recommends that Holders of First M&F Common Stock Vote FOR the Adoption and Approval of the Merger Agreement (page)

The First M&F board of directors believes that the merger is in the best interests of First M&F and its shareholders and has unanimously approved the merger and the merger agreement. The First M&F board of directors unanimously recommends that holders of First M&F common stock vote FOR the adoption and approval of the merger agreement. In reaching its decision, the First M&F board considered a number of factors, which are described in more detail in The Merger First M&F s Reasons for the Merger; Recommendation of the First M&F Board of Directors on page . The First M&F board of directors did not assign relative weights to the factors described in that section or the other factors considered by it. In addition, the First M&F board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the First M&F board of directors may have given weights to different factors.

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The Renasant Board of Directors Recommends that Renasant Shareholders Vote FOR the Approval of the Merger Agreement (page)

The Renasant board of directors believes that the merger is in the best interests of Renasant and its shareholders and has unanimously approved the merger and the merger agreement. The Renasant board of directors unanimously recommends that Renasant shareholders vote FOR the approval of the merger agreement. In reaching its decision, the Renasant board considered a number of factors, which are described in more detail in The Merger Renasant s Reasons for the Merger; Recommendation of the Renasant Board of Directors on page . The Renasant board of directors did not assign relative weights to the factors described in that section or the other factors considered by it. In addition, the Renasant board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the Renasant board of directors may have given weights to different factors.

First M&F s Directors and Executive Officers May Receive Additional Benefits from the Merger (page)

When considering the information contained in this joint proxy statement/prospectus, including the recommendation of First M&F s board of directors to vote to adopt and approve the merger agreement, First M&F shareholders should be aware that First M&F s executive officers and members of First M&F s board of directors may have interests in the merger that are different from, or in addition to, those of First M&F shareholders generally. First M&F s board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger (to the extent these interests were in existence at the time of the evaluation and negotiation of the merger agreement and the merger), and in recommending that the merger agreement be adopted and approved by First M&F s shareholders. For information concerning these interests, please see the discussion under the caption The Merger Interests of First M&F s Directors and Executive Officers in the Merger on page .

Holders of First M&F Common Stock Do Not Have Appraisal Rights (page)

Appraisal rights, also referred to as dissenters rights, are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair cash value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are provided under the Mississippi Business Corporation Act, or MBCA. As a result of the provisions of the MBCA, the holders of First M&F common stock are not entitled to appraisal rights in the merger. For more information, see The Merger First M&F Shareholders Do Not Have Appraisal Rights in the Merger beginning on page .

Conditions Exist That Must Be Satisfied or Waived for the Merger to Occur (page)

Currently, Renasant and First M&F expect to complete the merger during the third quarter of 2013. As more fully described in this document and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of each company s shareholders, the receipt of all required regulatory approvals (including approval by the Board of Governors of the Federal Reserve System (the Federal Reserve), Federal Deposit Insurance Corporation (the FDIC), and the Mississippi Department of Banking and Consumer Finance), and the receipt of legal opinions by each company regarding the United States federal income tax treatment of the merger.

Renasant and First M&F cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

First M&F or Renasant May Terminate the Merger Agreement Under Certain Circumstances (page)

First M&F and Renasant may mutually agree to terminate the merger agreement before completing the merger, even after First M&F shareholder approval and/or Renasant shareholder approval, as long as the termination is approved by each of the First M&F and Renasant boards of directors.

The merger agreement may also be terminated by either party in the following circumstances:

- if the merger has not been completed on or before September 30, 2013, unless the required regulatory approvals are pending and have not been finally resolved, in which event such date shall be automatically extended to December 31, 2013, unless the failure to complete the merger by that date is due to the breach of the merger agreement by the party seeking to terminate;

- if there has been a final, non-appealable denial of required regulatory approvals (including the redemption or purchase of the issued and outstanding shares of First M&F CDCI Preferred Stock and the related warrants prior to or contemporaneously with the merger) or an injunction prohibiting the transactions contemplated by the merger agreement;

- if the requisite shareholder vote in connection with the merger agreement is not obtained at the Renasant or First M&F shareholder meeting (or any adjournment or postponement thereof), unless the failure to obtain the requisite shareholder vote shall be due to the failure of the applicable party to perform or observe its agreements set forth in the merger agreement;

- if there is a breach of the merger agreement that would result in the failure of any of the closing conditions and cannot or has not been cured within 30 days after the breaching party receives written notice of such breach; or

- if prior to receipt of the other party s shareholder approval, that other party, its board or any committee of its board (1) withdraws, or modifies or qualifies in a manner adverse to Renasant or First M&F, as applicable, or refuses to make, the recommendation that its shareholders approve the merger agreement or (2) adopts, approves, recommends, endorses or otherwise declares advisable certain business combination proposals, or (3) materially breaches its obligation to call, give notice of, convene and hold its special shareholders meeting.

In addition, First M&F may terminate the merger agreement if (1) its board of directors determines in good faith that the holding of the special meeting, the making of recommendation of the merger agreement or the failure to withdraw, modify or change such recommendation, would constitute a breach of the fiduciary duties of such directors; or (2) its board of directors determines in good faith (after consultation with its legal and financial advisors) that (a) a proposed acquisition transaction with an entity other than Renasant would be required in order for its directors to comply with their fiduciary duties and (b) that such proposed merger is reasonably likely to be consummated and would result in a transaction more favorable to First M&F s shareholders from a financial point of view than the merger with Renasant.

For a further description of the merger agreement see page .

Expenses and Termination Fees (page)

In general, each of First M&F and Renasant will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement, subject to specific exceptions discussed in this document. Upon termination of the merger agreement under specified circumstances, First M&F may be required to pay Renasant a termination fee of $5.8 million. See The Merger Agreement Termination Fee beginning on page for a complete discussion of the circumstances under which termination fees will be required to be paid.

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Regulatory Approvals Required for the Merger (page)

First M&F and Renasant have agreed to use their reasonable best efforts to obtain all regulatory approvals, including all antitrust clearances, required to complete the transactions contemplated by the merger agreement. The required regulatory approvals include approval from the Federal Reserve, the FDIC, the United States Department of Justice, the Mississippi Department of Banking and Consumer Finance, state securities authorities, and various other federal and state regulatory authorities and self-regulatory organizations. First M&F and Renasant have completed, or will complete promptly following the date of this document, the filing of applications and notifications to obtain the required regulatory approvals.

Although we do not know of any reason why we cannot obtain the remaining regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

Litigation Relating to the Merger (page)

On March, 5, 2013, a putative shareholder class action lawsuit, Zeng. vs. Hugh S. Potts, Jr. et al., was filed in the United States District Court for the Northern District of Mississippi against First M&F, the members of its board of directors, M&F Bank, Renasant and Renasant Bank asserting that the First M&F directors breached their fiduciary duties and/or violated Mississippi law in connection with the negotiation and execution of the merger agreement and that First M&F, M&F Bank, Renasant and Renasant Bank aided and abetted those alleged breaches of fiduciary duties. Among other relief, the plaintiff seeks to enjoin the merger. Renasant and First M&F believe these claims are without merit.

Also on March 5, 2013, First M&F received a shareholder litigation demand letter from a shareholder alleging that members of the First M&F board of directors breached their fiduciary duties and that First M&F, M&F Bank, Renasant and Renasant Bank aided and abetted those alleged breaches of fiduciary duties. The demand letter asked First M&F to remedy the alleged breaches of fiduciary duties prior to closing the merger. A draft complaint was attached to the demand letter proposed to be filed in the Circuit Court of Attala County, Mississippi, if First M&F did not take the action requested in the demand letter. The draft complaint seeks, among other relief, to enjoin the merger. Under applicable Mississippi law, First M&F has 90 days from March 5, 2013 to respond to the demand letter before any further action can be taken. Renasant and First M&F believe these claims are without merit. For more information, see The Merger Litigation Relating to the Merger on page .

Renasant Board of Directors Following Completion of the Merger (page)

Upon completion of the merger, the number of directors constituting Renasant s and Renasant Bank s respective boards of directors will be increased by two, to 18 members each, and two individuals who are currently directors of First M&F selected by Renasant (after taking into account First M&F s recommendations) will be appointed to complete the larger boards. As of the date of this joint proxy statement/prospectus, Renasant has not identified the particular members of First M&F s board who will be appointed to join Renasant and Renasant Bank s respective boards of directors.

The Rights of Holders of First M&F Common Stock Will Change as a Result of the Merger (page)

The rights of holders of First M&F common stock are governed by Mississippi law, as well as First M&F s Articles of Incorporation, as amended (which we refer to as the M&F Articles), and First M&F s Amended and Restated Bylaws (or, the M&F Bylaws). After completion of the merger, the rights of former First M&F shareholders will remain governed by Mississippi law but will instead be governed by Renasant s Articles of Incorporation, as amended (which we refer to as the Renasant Articles), and Renasant s Restated Bylaws (or, the Renasant Bylaws). This document contains descriptions of the material differences in shareholder rights beginning on page .

First M&F Will Hold its Special Meeting on June , 2013 (page)

The First M&F special meeting will be held on June , 2013, at the Mary Ricks Thornton Cultural Center, located at the corner of East Washington Street and North Huntington Street, Kosciusko, Mississippi at , local time. At the special meeting, holders of First M&F common stock will be asked to:

- adopt and approve the merger agreement;
- a proposal to approve, on an advisory (nonbinding) basis, the compensation proposal;
- approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- vote on any other business properly brought before the special meeting or any adjournment or postponement thereof.

Record Date. Only holders of record of First M&F common stock at the close of business on , 2013 will be entitled to vote at the special meeting. Each share of First M&F common stock is entitled to one vote. As of the record date of , 2013, there were shares of First M&F common stock entitled to vote at the special meeting.

Required Vote. Approval of the merger agreement, the compensation proposal on a non-binding (advisory) basis and the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies in each case requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Assuming that a quorum is present, your failure to vote, an abstention or a broker non-vote will have no effect on the approval of any of the proposals.

All of the directors of First M&F and M&F Bank have entered into agreements with Renasant pursuant to which they have agreed, in their capacity as holders of First M&F common stock, to vote all of their shares in favor of the adoption and approval of the merger agreement. As of the record date, these directors of First M&F and their affiliates had the right to vote approximately shares of First M&F common stock, or approximately % of the outstanding First M&F shares entitled to be voted at the special meeting. We expect these individuals to vote their First M&F common stock in favor of the approval of the merger agreement in accordance with those agreements.

Renasant Will Hold its Special Meeting on June , 2013 (page)

The Renasant special meeting will be held on June , 2013, at the principal offices of Renasant Bank, 209 Troy Street, Tupelo, Mississippi 38804-4827 at , local time. At the special meeting, Renasant shareholders will be asked to:

- adopt and approve the merger agreement;
- approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- vote on any other business properly brought before the special meeting or any adjournment or postponement thereof.

Record Date. Only holders of record at the close of business on , 2013 will be entitled to vote at the special meeting. Each share of Renasant common stock is entitled to one vote. As of the record date, there were shares of Renasant common stock entitled to vote at the special meeting.

Required Vote. Approval of the merger agreement and the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies in each case requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Assuming that a quorum is present, your failure to vote, an abstention or a broker non-vote will have no effect on the approval of either proposal.

As of the record date, directors and executive officers of Renasant and their affiliates had the right to vote approximately shares of Renasant common stock, or approximately % of the outstanding Renasant common stock entitled to be voted at the special meeting. We currently expect that each of these individuals will vote their shares of Renasant common stock in favor of the proposals to be presented at the special meeting.

Information about the Companies (page)

First M&F Corporation

First M&F is a Mississippi corporation incorporated in 1979 that is the owner of the seventh largest bank headquartered in Mississippi, Merchants and Farmers Bank, a Mississippi-chartered bank established in 1890. As of December 31, 2012, First M&F had total assets of approximately $1.602 billion, deposits of approximately $1.403 billion and total stockholders equity of approximately $118 million. First M&F operates 42 banking (including loan production), financial services, mortgage and insurance offices and more than 37 automated teller machines throughout north and north central Mississippi, west Tennessee and central Alabama. First M&F s deposits are insured by the FDIC.

The principal executive offices of First M&F are located 134 West Washington Street, Kosciusko, Mississippi 39090 and its telephone number is (662) 289-5121. Additional information about First M&F and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page .

Renasant Corporation

Renasant is a Mississippi corporation incorporated in 1982 that is the owner of the fourth largest bank headquartered in Mississippi, Renasant Bank, a Mississippi-chartered bank incorporated in 1904. Through Renasant Bank, Renasant is also the owner of Renasant Insurance Agency, Inc. As of December 31, 2012, Renasant had total assets of approximately $4.179 billion, deposits of approximately $3.461 billion and total shareholders equity of approximately $498 million. Renasant operates 84 banking (including loan production), wealth management and insurance offices throughout north and north central Mississippi, Tennessee, north and central Alabama and north Georgia. Renasant Bank s deposits are insured by the FDIC.

The principal executive offices of Renasant are located at 209 Troy Street, Tupelo, Mississippi 38804-4827 and its telephone number is (662) 680-1001. Additional information about Renasant and its subsidiaries is included in documents incorporated by reference in this document. See Where You Can Find More Information on page .

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF RENASANT

Set forth below are highlights from Renasant s consolidated financial data as of and for the years ended December 31, 2012 through December 31, 2008. In the opinion of Renasant management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with Renasant s consolidated financial statements and related notes included in Renasant s Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this document and from which this information is derived. See Where You Can Find More Information on page .

(In Thousands, Except Share Data) (Unaudited) [(1)]

	2012	2011	2010	2009	2008
Year Ended December 31,					
Interest income	$ 159,313	$ 170,687	$ 165,483	$ 170,564	$ 200,962
Interest expense	25,975	41,401	60,277	71,098	91,520
Net interest income	133,338	129,286	105,206	99,466	109,442
Provision for loan losses	18,125	22,350	30,665	26,890	22,804
Noninterest income	68,711	64,699	92,692	57,558	54,042
Noninterest expense	150,459	136,960	120,540	105,753	107,968
Income before income taxes	33,465	34,675	46,693	24,381	32,712
Income taxes	6,828	9,043	15,018	5,863	8,660
Net income	$ 26,637	$ 25,632	$ 31,675	$ 18,518	$ 24,052
Dividend payout	64.15%	66.67%	49.28%	78.16%	59.65%
Per Common Share					
Net income Basic	$ 1.06	$ 1.02	$ 1.39	$ 0.88	$ 1.15
Net income Diluted	1.06	1.02	1.38	0.87	1.14
Book value at December 31	19.80	19.44	18.75	19.45	19.00
Closing price [(2)]	19.14	15.00	16.91	13.60	17.03
Cash dividends declared and paid	0.68	0.68	0.68	0.68	0.68
At December 31,					
Assets	$ 4,178,616	$ 4,202,008	$ 4,297,327	$ 3,641,081	$ 3,715,980
Loans, net of unearned income	2,810,253	2,581,084	2,524,590	2,347,615	2,530,886
Securities	674,078	796,341	834,472	714,164	695,106
Deposits	3,461,221	3,412,237	3,468,151	2,576,100	2,344,331
Borrowings	164,706	254,709	316,436	618,024	933,976
Shareholders equity	498,208	487,202	469,509	410,122	400,371
Selected Ratios					
Return on average:					
Total assets	0.64%	0.60%	0.80%	0.50%	0.65%
Shareholders equity	5.38%	5.34%	7.16%	4.56%	5.97%
Average shareholders equity to average assets	11.96%	11.27%	11.21%	10.96%	10.87%
At December 31,					
Shareholders equity to assets	11.92%	11.59%	10.93%	11.26%	10.77%
Allowance for loan losses to total loans, net of unearned income [(3)]	1.72%	1.98%	2.07%	1.67%	1.38%
Allowance for loan losses to nonperforming loans [(3)]	146.90%	127.00%	84.32%	78.25%	87.45%
Nonperforming loans to total loans, net of unearned income [(3)]	1.17%	1.56%	2.46%	2.13%	1.58%

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(1) Selected consolidated financial data includes the effect of mergers and other acquisition transactions from the date of each merger or other transaction. On February 4, 2011, Renasant Bank acquired specified assets and assumed specified liabilities of American Trust Bank, a Georgia-chartered bank headquartered in Roswell, Georgia (American Trust), from the FDIC, as receiver for American Trust. On July 23, 2010, Renasant Bank acquired specified assets and assumed specified liabilities of Crescent Bank & Trust Company, a Georgia-chartered bank headquartered in Jasper, Georgia (Crescent), from the FDIC, as receiver for Crescent. Refer to Item 1, Business, and Note B, Mergers and Acquisitions, in the Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data in Renasant s Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and incorporated by reference herein, for additional information about the transaction involving American Trust and Crescent.

(2) Reflects the closing price on the Nasdaq on the last trading day of Renasant s fiscal year.

(3) Excludes assets covered under loss-share agreements with the FDIC.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF FIRST M&F

Set forth below are highlights from First M&F s consolidated financial data as of and for the years ended December 31, 2012 through December 31, 2008. In the opinion of First M&F management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with First M&F s consolidated financial statements and related notes included in First M&F s Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this document and from which this information is derived. See Where You Can Find More Information on page .

(Thousands, except per share data)	2012	2011	2010	2009	2008
EARNINGS					
Interest income	$ 62,922	$ 68,715	$ 71,692	$ 78,833	$ 93,288
Interest expense	11,529	16,851	23,891	31,239	41,292
Net interest income	51,393	51,864	47,801	47,594	51,996
Provision for loan losses	8,520	9,720	9,220	49,601	19,734
Noninterest income	22,798	21,574	20,521	19,970	21,131
Noninterest expense	56,278	58,334	54,490	95,872	54,284
Income taxes	2,408	1,011	602	(18,104)	(1,436)
Noncontrolling interests			(1)	(6)	19
Net income (loss)	$ 6,985	$ 4,373	$ 4,011	$ (59,799)	$ 526
Net interest income, taxable equivalent	$ 52,263	$ 52,764	$ 48,921	$ 49,076	$ 53,469
Cash dividends paid on common stock	$ 380	$ 368	$ 366	$ 1,466	$ 4,772
Dividends paid and accretion on preferred stock	$ 1,901	$ 1,774	$ 1,692	$ 1,464	$
PER COMMON SHARE					
Net income (loss) basic	$ 0.54	$ 0.28	$ 1.66	$ (6.69)	$ 0.06
Cash dividends paid common	.04	.04	.04	.16	.52
Book value common	10.79	10.05	9.96	8.36	15.00
Closing stock price common	6.98	2.84	3.74	2.21	8.46
SELECTED AVERAGE BALANCES					
Assets	$ 1,579,007	$ 1,594,284	$ 1,590,942	$ 1,645,160	$ 1,621,703
Earning assets, amortized cost	1,424,674	1,435,537	1,426,812	1,490,413	1,455,836
Loans held for investment	981,144	1,032,137	1,045,467	1,122,307	1,200,628
Investments, amortized cost	351,893	298,836	277,393	290,963	232,274
Total deposits	1,378,496	1,389,284	1,353,643	1,321,470	1,270,547
Equity	114,084	109,370	107,166	139,156	142,024
SELECTED YEAR-END BALANCES					
Assets	$ 1,601,683	$ 1,568,651	$ 1,603,964	$ 1,662,968	$ 1,596,865
Earning assets, carrying value	1,449,362	1,407,578	1,440,420	1,507,966	1,427,344
Loans held for investment	975,473	996,340	1,060,146	1,058,340	1,176,595
Investments, carrying value	348,562	320,774	276,929	284,550	227,145
Total deposits	1,402,675	1,371,463	1,375,412	1,388,263	1,261,387
Equity	118,443	109,596	107,065	104,630	135,968
SELECTED RATIOS					
Return on average assets	0.44%	0.27%	0.25%	(3.63)%	0.03%
Return on average equity	6.12	4.00	3.74	(42.97)	0.37
Average equity to average assets	7.23	6.86	6.74	8.46	8.76
Dividend payout ratio	7.41	14.29	2.41		866.67
Price to earnings	12.93x	10.14x	2.25x		141.00x
Price to book	0.65x	0.28x	0.38x	0.26x	0.56x

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UNAUDITED SELECTED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following table shows unaudited pro forma condensed combined financial information about the financial condition and results of operations after giving effect to the merger and the planned redemption by First M&F (or purchase by Renasant) of the First M&F CDCI Preferred Stock from the U.S. Treasury (the related warrant is expected to be redeemed by First M&F, or purchased by Renasant, concurrently; however, the price cannot be reasonably estimated at this time, and so the effects of this transaction are not reflected in the table below). The unaudited pro forma condensed financial information assumes that the merger is accounted for under the acquisition method of accounting, and that Renasant will record the assets and liabilities of First M&F at their respective fair values as of the date the merger is completed. The unaudited pro forma condensed combined balance sheet gives effect to the transactions as if the transactions had occurred on December 31, 2012. The unaudited pro forma condensed combined income statement for the year ended December 31, 2012, gives effect to the transactions as if the transactions had become effective at January 1, 2012. The unaudited selected pro forma condensed combined financial information has been derived from and should be read in conjunction with the consolidated financial statements and the related notes of both Renasant and First M&F, which are incorporated in this document by reference, and in conjunction with the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this document. See Where You Can Find More Information on page and Unaudited Pro Forma Condensed Combined Financial Information on page .

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented, nor the impact of possible business model changes. The unaudited pro forma condensed combined financial information also does not consider any potential impacts of current market conditions on revenues, expense efficiencies, asset dispositions and share repurchases, among other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary determinations of the fair value of assets acquired and liabilities assumed reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from the actual fair values that will be recorded upon completion of the merger.

	Year Ended December 31, 2012
Income Statement (in thousands)	
Net interest income	$ 186,762
Noninterest income	91,509
Total revenue	278,271
Provision for loan losses	26,645
Noninterest expense	210,734
Income before income taxes	40,892
Provision for income taxes	8,499
Net income	32,403
Balance Sheet (in thousands)	
Cash and due from banks	$ 291,544
Net loans	3,674,700
Total assets	5,798,243
Total deposits	4,868,228
Total borrowed funds	222,150
Total shareholders equity	638,836
Regulatory Capital Ratios	
Tier 1 capital to average assets (leverage)	8.37%
Tier 1 capital to risk-weighted assets	11.02
Total capital to risk-weighted assets	12.10

COMPARATIVE PER SHARE DATA

The following table sets forth for Renasant common stock and First M&F common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger and the planned redemption by First M&F (or purchase by Renasant) of the First M&F CDCI Preferred Stock from the U.S. Treasury as if the transactions had been effective as of the date presented, in the case of the book value data, and as if the transactions had become effective on January 1, 2012, in the case of the net income and dividends declared data (the related warrant is expected to be redeemed by First M&F, or purchased by Renasant, concurrently; however, the price cannot be reasonably estimated at this time, and so the effects of this transaction are not reflected in the table below). The unaudited pro forma data in the table assumes that the merger is accounted for using the acquisition method of accounting and represents a current estimate based on available information of the combined company s results of operations. The pro forma financial adjustments record the assets and liabilities of First M&F at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. See Unaudited Pro Forma Condensed Combined Financial Information on page . The information in the following table is based on, and should be read together with, the historical financial information that Renasant and First M&F have presented in their respective prior filings with the SEC. See Where You Can Find More Information on page .

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses and revenue enhancement opportunities. The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible business model changes as a result of current market conditions which may impact revenues, expense efficiencies, asset dispositions, share repurchases and other factors. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during these periods nor is it indicative of the results of operations in future periods or the future financial position of the combined company. The Comparative Per Share Data table for the year ended December 31, 2012 combines the historical income per share data of Renasant and subsidiaries and First M&F and subsidiaries giving effect to the transactions as if the merger, using the acquisition method of accounting and the planned redemption by First M&F (or purchase by Renasant) of the First M&F CDCI Preferred Stock from the U.S. Treasury had become effective on January 1, 2012. The pro forma adjustments are based upon available information and certain assumptions that Renasant s management believes are reasonable. Upon completion of the merger, the operating results of First M&F will be reflected in the consolidated financial statements of Renasant on a prospective basis.

	December 31, 2012 *(12 months)*		
	Income*	**Book Value Common****	**Cash Dividends Common**
Renasant Historical	$ 1.06	$ 19.80	$ 0.68
First M&F Historical	0.54	10.79	0.04
Pro Forma Combined	1.05	20.39	0.68
Per Equivalent First M&F Share***	0.67	13.10	0.44

* Income per share is calculated on diluted shares.
** Book Value per share is calculated on the number of shares outstanding as of the end of the period.
*** Per Equivalent First M&F Share is pro forma combined multiplied by the exchange factor of 0.6425.

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RISK FACTORS

In addition to the other information included in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the heading Special Note Regarding Forward-Looking Statements on page of this joint proxy statement/prospectus and the matters discussed under the caption Risk Factors in the Annual Report on Form 10-K for the year ended December 31, 2012 filed by Renasant (as updated by subsequently filed Forms 10-Q and other reports filed with the SEC), Renasant and First M&F shareholders should consider the matters described below in determining whether to adopt and approve the merger agreement. If any of the following risks or other risks which have not been identified or which Renasant and First M&F may believe are immaterial or unlikely, actually occur, the business, financial condition and results of operations of the combined company could be harmed. Many factors, including those described below, could cause actual results to differ materially from those discussed in forward-looking statements.

Because the market price of Renasant common stock will fluctuate, holders of First M&F common stock cannot be sure of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of First M&F common stock will be converted into merger consideration consisting of 0.6425 of a share of Renasant common stock. The market value of the merger consideration may vary from the closing price of Renasant common stock on the date we announced the merger, on the date that this document was mailed to First M&F shareholders, on the date of the special meeting of the First M&F shareholders and on the date we complete the merger and thereafter. Any change in the market price of Renasant common stock prior to completion of the merger will affect the market value of the merger consideration that First M&F shareholders will receive upon completion of the merger. Accordingly, at the time of the special meeting, First M&F shareholders will not know or be able to calculate the market value of the merger consideration they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of First M&F shareholders solely because of changes in the market prices of either company s stock. There will be no adjustment to the merger consideration for changes in the market price of either shares of Renasant common stock or shares of First M&F common stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of Renasant common stock and for shares of First M&F common stock before you vote.

Holders of First M&F common stock will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Holders of First M&F common stock currently have the right to vote in the election of the First M&F board of directors and on other matters affecting First M&F. When the merger occurs, each holder of First M&F common stock that receives shares of Renasant common stock will become a shareholder of Renasant with a percentage ownership of the combined organization that is smaller than such shareholder s current percentage ownership of First M&F. Because of this, holders of First M&F common stock will have less influence on the management and policies of Renasant than they now have on the management and policies of First M&F.

Renasant may not be able to successfully integrate First M&F or realize the anticipated benefits of the merger.

Renasant s merger with First M&F involves the combination of two bank holding companies that previously have operated independently. A successful combination of the operations of the two entities will depend substantially on Renasant s ability to consolidate operations, systems and procedures and to eliminate redundancies and costs. Renasant may not be able to combine the operations of First M&F with its operations without encountering difficulties, such as:

- the loss of key employees and customers;
- the disruption of operations and business;

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inability to maintain and increase competitive presence;

deposit attrition, customer loss and revenue loss;

possible inconsistencies in standards, control procedures and policies;

unexpected problems with costs, operations, personnel, technology and credit; and/or

problems with the assimilation of new operations, sites or personnel, which could divert resources from regular banking operations. Additionally, general market and economic conditions of governmental actions affecting the financial industry generally may inhibit Renasant s successful integration of First M&F.

Further, Renasant entered into the merger agreement with the expectation that the merger will result in various benefits including, among other things, benefits relating to enhanced revenues, a strengthened market position for the combined company throughout Renasant s footprint, cross selling opportunities, technology, cost savings and operating efficiencies. Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether Renasant integrates First M&F in an efficient and effective manner, and general competitive factors in the marketplace. Renasant also believes that its ability to successfully integrate First M&F with its operations will depend to a large degree upon its ability to retain First M&F s existing management personnel. Although Renasant expects to enter into retention agreements with certain key employees of First M&F, there can be no assurances that these key employees will not depart. See The Merger Interests of Certain First M&F Directors and Executive Officers in the Merger beginning on page .

Renasant s failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy and could materially impact its business, financial condition and operating results. In addition, the attention and effort devoted to the integration of First M&F with Renasant s existing operations may divert management s attention from other important issues and could seriously harm its business. Finally, any cost savings that are realized may be offset by losses in revenues or other charges to earnings.

The market price of Renasant common stock after the merger may be affected by factors different from those currently affecting the shares of First M&F or Renasant common stock.

The businesses of Renasant and First M&F differ in important respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of Renasant and First M&F. For a discussion of the businesses of Renasant and First M&F and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under Where You Can Find More Information beginning on page .

The merger agreement limits First M&F s ability to pursue an alternative acquisition proposal and requires First M&F to pay a termination fee of $5.8 million under limited circumstances relating to alternative acquisition proposals.

The merger agreement prohibits First M&F from soliciting, initiating, endorsing or knowingly encouraging or facilitating certain alternative acquisition proposals with any third party, unless the directors determine in good faith (after consultation with legal and financial advisors) that (1) a proposed acquisition transaction with an entity other than Renasant would be required in order for its directors to comply with their fiduciary duties and (2) that such alternative transaction is reasonably likely to be consummated and would result in a transaction more favorable to First M&F s shareholders from a financial point of view than the merger with Renasant. See The Merger Agreement No Solicitation on page . The merger agreement also provides for the payment by First M&F of a termination fee in the amount of $5.8 million in the event that either party terminates the merger agreement for certain reasons. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of First M&F from considering or proposing such an acquisition. See The Merger Agreement Termination Fee on page .

Renasant and First M&F have not obtained updated fairness opinions from Sandler O Neill and KBW, respectively, reflecting changes in circumstances that may have occurred since the signing of the merger agreement.

Renasant and First M&F have not obtained updated opinions as of the date of this document from Sandler O Neill and KBW, which are Renasant s and First M&F s respective financial advisors, regarding the fairness, from a financial point of view, of the consideration to be paid in connection with the merger. Changes in the operations and prospects of Renasant or First M&F, general market and economic conditions and other factors which may be beyond the control of Renasant and First M&F, and on which the fairness opinions were based, may have altered the value of Renasant or First M&F or the prices of shares of Renasant common stock and shares of First M&F common stock as of the date of this document, or may alter such values and prices by the time the merger is completed. The opinions do not speak as of any date other than the dates of those opinions. For a description of the opinions that Renasant and First M&F received from their respective financial advisors, please refer to The Merger Opinion of Renasant s Financial Advisor beginning on page , and The Merger Opinion of First M&F s Financial Advisor beginning on page . For a description of the other factors considered by Renasant s board of directors in determining to approve the merger, please refer to The Merger Renasant s Reasons for the Merger; Recommendation of the Renasant Board of Directors beginning on page . For a description of the other factors considered by First M&F s board of directors in determining to approve the merger, please refer to The Merger First M&F s Reasons for the Merger; Recommendation of the First M&F Board of Directors beginning on page .

The merger is subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on the combined company following the merger.

Before the merger may be completed, various approvals or consents must be obtained from the Federal Reserve, the FDIC, and various domestic bank, securities, antitrust and other regulatory authorities. These government entities, including the Federal Reserve, may impose conditions on the completion of the merger, including divestitures, or require changes to the terms of the merger. Although Renasant and First M&F do not currently expect that any material conditions or changes would be imposed, there can be no assurances that they will not be. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger.

If the merger is not completed, Renasant and First M&F will have incurred substantial expenses without realizing the expected benefits of the merger.

Each of Renasant and First M&F has incurred substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the merger. If the merger is not completed, Renasant and First M&F would have to recognize these expenses without realizing the expected benefits of the merger.

The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may cause the market price of Renasant common stock or First M&F common stock to decline.

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and approvals of Renasant s and First M&F s shareholders. If any condition to the merger is not

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satisfied or waived, to the extent permitted by law, the merger will not be completed. In addition, Renasant and First M&F may terminate the merger agreement under certain circumstances even if the merger is approved by Renasant s and First M&F s shareholders, including but not limited to if the merger has not been completed on or before September 30, 2013. If Renasant and First M&F do not complete the merger, the market price of Renasant common stock or First M&F common stock may decline to the extent that the current market prices of those shares reflect a market assumption that the merger will be completed. In addition, neither company would realize any of the expected benefits of having completed the merger. If the merger is not completed, additional risks could materialize, which could materially and adversely affect the business, financial results, financial condition and stock prices of Renasant or First M&F. For more information on closing conditions to the merger agreement, see the section entitled Merger Agreement Conditions to Completion of the Merger on page .

First M&F shareholders do not have appraisal rights in the merger.

Appraisal rights, also referred to as dissenters rights, are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair cash value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Under the MBCA, shareholders do not have appraisal rights with respect to shares of any class of stock which are designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc., which is now called the Financial Industry Regulatory Authority. Because First M&F s common stock is so designated, holders of First M&F common stock will not be entitled to appraisal rights in the merger with respect to their shares of First M&F common stock.

Certain of First M&F s directors and executive officers have interests in the merger that may differ from the interests of First M&F s shareholders including, if the merger is completed, the receipt of financial and other benefits.

First M&F s executive officers and directors have interests in the merger that are in addition to, and may be different from, the interests of First M&F shareholders generally. These interests include acceleration of vesting and payouts of their First M&F equity compensation awards, the right to potentially receive a cash severance payment for one executive officer and other benefits under an employment agreement and accelerated payouts of deferred compensation balances. See The Merger Interests of Certain Persons in the Merger beginning on page for a discussion of these interests.

Pending litigation relating to the merger could result in an injunction preventing completion of the merger.

On March, 5, 2013, a putative shareholder class action lawsuit, *Zeng. vs. Hugh S. Potts, Jr. et al.*, was filed in the United States District Court for the Northern District of Mississippi against First M&F, the members of its board of directors, M&F Bank, Renasant and Renasant Bank asserting that the First M&F directors breached their fiduciary duties and/or violated Mississippi law in connection with the negotiation and approval of the merger agreement and that First M&F, M&F Bank, Renasant and Renasant Bank aided and abetted those alleged breaches of fiduciary duties. Among other relief, the plaintiff seeks to enjoin the merger.

Also on March 5, 2013, First M&F received a shareholder litigation demand letter from a shareholder alleging that members of the First M&F board of directors breached their fiduciary duties and that First M&F, M&F Bank, Renasant and Renasant Bank aided and abetted those alleged breaches of fiduciary duties. The demand letter asked First M&F to remedy the alleged breaches of fiduciary duties prior to closing the merger. A draft complaint was attached to the demand letter proposed to be filed in the Circuit Court of Attala County, Mississippi, if First M&F did not take the action requested in the demand letter. The draft complaint seeks, among other relief, to enjoin the merger. Under applicable Mississippi law, First M&F has 90 days from March 5, 2013 to respond to the demand letter before any further action can be taken.

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One of the conditions to the closing of the merger is that no judgment, decree, injunction or other order by any court of competent jurisdiction is in effect that prohibits the completion of the merger. If either of the plaintiffs are successful in obtaining an injunction prohibiting the defendants from completing the merger or other relief, then such injunction or relief may prevent the merger from becoming effective, or from becoming effective within the expected time frame. If completion of the merger is prevented or delayed, it could result in substantial costs to Renasant and First M&F. In addition, Renasant and First M&F could incur costs associated with the indemnification of First M&F s directors. See The Merger Litigation Relating to the Merger beginning on page and The Merger Interests of Certain First M&F Directors and Executive Officers in the Merger in the Indemnification of Directors and Officers; Insurance subsection beginning on page for a discussion of these matters.

The shares of Renasant common stock to be received by First M&F shareholders as a result of the merger will have different rights from the shares of First M&F common stock.

Upon completion of the merger, First M&F shareholders will become Renasant shareholders and their rights as shareholders will be governed by the Renasant Articles and the Renasant Bylaws. The rights associated with First M&F common stock are different from the rights associated with Renasant common stock. Please see Comparison of Shareholders Rights beginning on page for a discussion of the different rights associated with Renasant common stock.

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THE RENASANT SPECIAL MEETING

This section contains information about the special meeting of Renasant shareholders that has been called to consider and approve the merger agreement. Together with this document, Renasant is also sending you a notice of the special meeting and a form of proxy that the Renasant board of directors is soliciting. The Renasant special meeting will be held on June , 2013, at the principal offices of Renasant Bank, 209 Troy Street, Tupelo, Mississippi 38804-4827 at , local time.

Matters to Be Considered

The purpose of the special meeting is to vote on:

- a proposal to adopt and approve the merger agreement;
- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- any other business properly brought before the special meeting or any adjournment or postponement thereof.

Proxies

Each copy of this document mailed to holders of Renasant common stock is accompanied by a form of proxy with instructions for voting by mail, through the internet or by telephone. If you hold stock in your name as a shareholder of record or you hold shares in the Renasant 401(k) plan or employee stock ownership plan and are voting by mail, you should complete, sign, date and return the proxy card accompanying this document in the enclosed postage-paid return envelope to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting. You may also vote your shares through the internet or by calling the toll-free number listed on the Renasant proxy card. Instructions and applicable deadlines for voting through the internet or by telephone are set forth in the enclosed proxy card.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

If you hold stock in your name as a shareholder of record or you hold shares in the Renasant 401(k) plan or employee stock ownership plan, you may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter to Renasant s Secretary, or by attending the special meeting in person and voting by ballot at the special meeting. If you have voted your shares through the internet, you may revoke your prior internet vote by recording a different vote using internet voting, or by signing and returning a proxy card dated as of a date that is later than your last internet vote. If you have voted your shares through a telephone call, you may revoke your prior telephone vote by calling the toll-free number listed on the Renasant proxy card and recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last telephone vote.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Renasant Corporation

Attn: Secretary

209 Troy Street

Tupelo, Mississippi 38804-4827

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

All shares represented by valid proxies that Renasant receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via internet or telephone. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR approval of the merger agreement and FOR approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. According to the Renasant Bylaws, business to be conducted at the special meeting must be confined to the subjects stated in Renasant s notice of the special meeting.

Solicitation of Proxies

Renasant will bear the entire cost of soliciting proxies from its shareholders. In addition to solicitation of proxies by mail, Renasant will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Renasant common stock and secure their voting instructions. Renasant will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Renasant may use several of its regular employees, who will not be specially compensated, to solicit proxies from Renasant shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Record Date

The close of business on , 2013 has been fixed as the record date for determining the Renasant shareholders entitled to receive notice of and to vote at the special meeting. At that time, shares of Renasant common stock were outstanding, held by approximately holders of record.

Quorum

In order to conduct voting at the special meeting, there must be a quorum. A quorum is the number of shares that must be present at the meeting, either in person or by proxy. To have a quorum at the special meeting requires the presence of shareholders or their proxies who are entitled to cast at least a majority of the votes that all shareholders are entitled to cast. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

Vote Required

Approval of the merger agreement requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. You are entitled to one vote for each share of Renasant common stock you hold as of the record date. Assuming that a quorum is present, your failure to vote, an abstention or a broker non-vote will have no effect on the proposal to approve the merger agreement.

Approval of the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Assuming there is a quorum, your failure to vote, an abstention or a broker non-vote will have no effect on the proposal.

The Renasant board of directors urges Renasant shareholders to promptly vote by: accessing the internet site listed in the proxy card instructions if voting through the internet; calling the toll-free number listed on the proxy card if voting by telephone; or completing, dating, and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope if voting by mail. If you hold your stock in street name through a bank or broker, please vote by following the voting instructions of your bank or broker.

If you are the registered holder of your Renasant common stock or you obtain a broker representation letter from your bank, broker or other holder of record of your Renasant common stock and in all cases you bring proof of identity, you may vote your Renasant common stock in person by ballot at the special meeting. Votes properly cast at the special meeting, in person or by proxy, will be tallied by Renasant s inspector of elections.

As of the record date, directors and executive officers of Renasant had the right to vote approximately shares of Renasant common stock, or approximately % of the outstanding Renasant shares entitled to vote at the special meeting. We currently expect that each of these individuals will vote their shares of Renasant common stock in favor of the proposals to be presented at the special meeting.

Recommendation of the Renasant Board of Directors

The Renasant board of directors has unanimously adopted and approved the merger agreement and the transactions it contemplates, including the merger. The Renasant board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Renasant and its shareholders and recommends that you vote FOR approval of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. See The Merger Renasant s Reasons for the Merger; Recommendation of the Renasant Board of Directors on page for a more detailed discussion of the Renasant board of directors recommendation.

Attending the Special Meeting

All holders of Renasant common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Renasant reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting. These rules will be printed on the meeting agenda. Even if you plan to attend the special meeting, we encourage you to vote by telephone, internet or mail so your vote will be counted if you later decide not to attend the special meeting.

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THE FIRST M&F SPECIAL MEETING

This section contains information about the special meeting of First M&F shareholders that has been called to consider and approve the merger agreement. Together with this document, First M&F is also sending you a notice of the special meeting and a form of proxy that the First M&F board of directors is soliciting. The First M&F special meeting will be held on June , 2013, at the Mary Ricks Thornton Cultural Center, located at the corner of East Washington Street and North Huntington Street, Kosciusko, Mississippi, 39090 at , local time.

Matters to Be Considered

The purpose of the special meeting is to vote on:

- a proposal to adopt and approve the merger agreement;
- a proposal to approve, on an advisory (nonbinding) basis, the compensation proposal;
- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal; and
- any other business properly brought before the special meeting or any adjournment or postponement thereof.

Compensation Proposal

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Securities Exchange Act of 1934, as amended, or the Exchange Act, First M&F is providing the holders of its common stock the opportunity to cast an advisory (nonbinding) vote on the compensation that may be paid or become payable to the named executive officers of First M&F in connection with the merger and the agreements and understandings pursuant to which such compensation may be paid or become payable , as disclosed in the table in the section of the proxy statement/prospectus entitled The Merger Interests of Certain First M&F Directors and Executive Officers in the Merger Golden Parachute Compensation for First M&F Named Executive Officers, including the associated narrative discussion. As required by those rules, First M&F is asking holders of First M&F common stock to vote on the approval of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to First M&F named executive officers in connection with the merger and the agreements or understandings pursuant to which such compensation may be paid or become payable are hereby APPROVED.

The vote on the compensation proposal is a vote separate and apart from the vote to approve the merger agreement. Accordingly, you may vote to approve the merger agreement and vote not to approve the compensation proposal, or vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either First M&F or Renasant. Accordingly, because First M&F is contractually obligated to pay the compensation, if the merger agreement is approved and the merger is consummated, it is expected that the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory vote.

Proxies

Each copy of this document mailed to holders of First M&F common stock is accompanied by a form of proxy with instructions for voting by mail, through the internet or by telephone. If you hold stock in your name as a shareholder of record and are voting by mail, you should complete, sign, date and return the proxy card accompanying this document in the enclosed postage-paid return envelope to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you

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plan to attend the special meeting. You may also vote your shares through the internet or by calling the toll-free number listed on the First M&F proxy card. Instructions and applicable deadlines for voting through the internet or by telephone are set forth in the enclosed proxy card.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

If you hold common stock in your name as a shareholder of record or in the 401(k) plan, you may revoke any proxy at any time before it is voted by signing and returning a proxy card with a later date, delivering a written revocation letter to the First M&F Corporate Secretary, or by attending the special meeting in person and voting by ballot at the special meeting. If you have voted your shares through the internet, you may revoke your prior internet vote by recording a different vote using internet voting, or by signing and returning a proxy card dated as of a date that is later than your last internet vote. If you have voted your shares through a telephone call, you may revoke your prior telephone vote by calling the toll-free number listed on the First M&F proxy card and recording a different vote, or by signing and returning a proxy card dated as of a date that is later than your last telephone vote.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

First M&F Corporation

Attn: Corporate Secretary

134 West Washington Street

Kosciusko, Mississippi 39090

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

All shares represented by valid proxies that First M&F receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via internet or telephone. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR approval of the merger agreement and merger, FOR the compensation proposal and FOR approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. According to the First M&F Bylaws, business to be conducted at the special meeting must be confined to the subjects stated in First M&F s notice of the special meeting.

Solicitation of Proxies

First M&F will bear the entire cost of soliciting proxies from its shareholders. In addition to solicitation of proxies by mail, First M&F will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of First M&F common stock and secure their voting instructions. First M&F will reimburse the record holders for their reasonable expenses in taking those actions. First M&F has also made arrangements with AST Phoenix Advisors to assist it in soliciting proxies and has agreed to pay them a fee of approximately $5,500, plus $4.50 for each phone call made and payment of reasonable expenses for their services. If necessary, First M&F may use several of its regular employees, who will not be specially compensated, to solicit proxies from First M&F shareholders, either personally or by telephone, facsimile, letter or other electronic means.

Record Date

The close of business on , 2013 has been fixed as the record date for determining the First M&F shareholders entitled to receive notice of and to vote at the special meeting. At that time, shares of First M&F common stock were outstanding, held by approximately holders of record.

Quorum

In order to conduct voting at the special meeting, there must be a quorum. A quorum is the number of shares that must be present at the meeting, either in person or by proxy. To have a quorum at the special meeting requires the presence of holders of First M&F common stock or their proxies who are entitled to cast at least a majority of the votes that all holders of common stock are entitled to cast. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

Vote Required

Approval of the merger agreement requires the affirmative vote of a majority of the votes cast by holders of First M&F common stock, assuming that a quorum is present. You are entitled to one vote for each share of First M&F common stock you hold as of the record date. Holders of First M&F CDCI Preferred Stock are not entitled to vote on the adoption and approval of the merger agreement or otherwise at the special meeting. Assuming that a quorum is present, your failure to vote, an abstention or a broker non-vote will have no effect on the proposal to approve the merger agreement.

Approval of the compensation proposal requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Assuming there is a quorum, your failure to vote, an abstention or a broker non-vote will have no effect on the proposal.

Approval of the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies requires the affirmative vote of a majority of the votes cast, assuming that a quorum is present. Assuming there is a quorum, your failure to vote, an abstention or a broker non-vote will have no effect on the proposal.

The First M&F board of directors urges First M&F shareholders to promptly vote by: accessing the internet site listed in the proxy card instructions if voting through the internet; calling the toll-free number listed on the proxy card if voting by telephone; or completing, dating, and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope if voting by mail. If you hold your stock in street name through a bank or broker, please vote by following the voting instructions of your bank or broker.

If you are the registered holder of your First M&F common stock or you obtain a broker representation letter from your bank, broker or other holder of record of your First M&F common stock and in all cases you bring proof of identity, you may vote your First M&F common stock in person by ballot at the special meeting. Votes properly cast at the special meeting, in person or by proxy, will be tallied by First M&F s inspector of elections.

As of the record date, and assuming no options are exercised, directors and executive officers of First M&F had the right to vote approximately shares of First M&F common stock, or approximately % of the outstanding First M&F shares entitled to vote at the special meeting. All of the directors and senior executive officers of First M&F and M&F Bank have entered into agreements with Renasant pursuant to which they have agreed, in their capacity as holders of First M&F common stock, to vote all of their shares in favor of the adoption and approval of the merger agreement. We expect these individuals to vote their First M&F common stock in accordance with these agreements.

Recommendation of the First M&F Board of Directors

The First M&F board of directors has unanimously adopted and approved the merger agreement and the transactions it contemplates, including the merger. The First M&F board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of First M&F and its shareholders and recommends that you vote FOR approval of the merger agreement, FOR approval, on an advisory (nonbinding) basis, of the compensation proposal, and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies. See The Merger First M&F s Reasons for the Merger; Recommendation of the First M&F Board of Directors on page for a more detailed discussion of the First M&F board of directors recommendation.

Attending the Special Meeting

All holders of First M&F common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. First M&F reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting. These rules will be printed on the meeting agenda. Even if you plan to attend the special meeting, we encourage you to vote by telephone, internet or mail so your vote will be counted if you later decide not to attend the special meeting.

INFORMATION ABOUT THE COMPANIES

Renasant Corporation

Renasant Corporation is a Mississippi corporation and a registered bank holding company headquartered in Tupelo, Mississippi. Renasant was organized in 1982 under the Bank Holding Company Act of 1956, as amended, and the laws of the State of Mississippi. Renasant currently operates 84 banking (including loan production), wealth management and insurance offices and 76 automated teller machines (ATMs) throughout north and north central Mississippi, Tennessee, north and central Alabama and north Georgia through its wholly-owned bank subsidiary, Renasant Bank. Through Renasant Bank, Renasant is also the owner of Renasant Insurance Agency, Inc. As of December 31, 2012, Renasant had total assets of approximately $4.179 billion and total deposits of approximately $3.461 billion. The principal executive offices of Renasant are located at 209 Troy Street, Tupelo, Mississippi 38804-4827, and its telephone number is (662) 680-1001. Additional information about Renasant and its subsidiary is included in documents incorporated by reference in this document. See Where You Can Find More Information on page .

First M&F Corporation

First M&F Corporation is a bank holding company headquartered in Kosciusko, Mississippi. First M&F was organized in 1979 under the Bank Holding Company Act of 1956, as amended, and the laws of the State of Mississippi. First M&F currently operates 42 banking (including loan production), financial services and insurance offices and more than 37 automated teller machines (ATMs) throughout north and north central Mississippi, west Tennessee, and central Alabama through its wholly-owned bank subsidiary, Merchants and Farmers Bank. As of December 31, 2012, First M&F had total assets of approximately $1.602 billion and total deposits of approximately $1.403 billion. The principal executive offices of First M&F are located 134 West Washington Street, Kosciusko, Mississippi 39090, and its telephone number is (662) 289-5121. Additional information about First M&F and its subsidiary is included in documents incorporated by reference in this document. See Where You Can Find More Information on page .

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following unaudited pro forma condensed combined financial information and explanatory notes present how the combined financial statements of Renasant and First M&F may have appeared had the businesses actually been combined, and had First M&F redeemed (or Renasant purchased) the First M&F CDCI Preferred Stock, at the beginning of the period presented. The unaudited pro forma condensed combined financial information shows the impact of the merger of Renasant and First M&F on the companies respective historical financial positions and results of operations under the acquisition method of accounting with Renasant treated as the acquiror. Under this method of accounting, the assets and liabilities of First M&F will be recorded by Renasant at their estimated fair values as of the date the merger is completed. The unaudited pro forma condensed combined financial information combines the historical financial information of Renasant and First M&F as of and for the year ended December 31, 2012. The unaudited pro forma condensed combined statement of income gives effect to the merger as if the merger had been completed on January 1, 2012. The unaudited pro forma combined selected financial data is derived from such balance sheets and statements of income. According to the terms of the merger agreement which was announced on February 7, 2013, each share of First M&F common stock will be converted into 0.6425 of a share of Renasant common stock. The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of both Renasant and First M&F which are incorporated in this document by reference. See Where You Can Find More Information on page .

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had the companies been combined during this period. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the fair values of the First M&F assets acquired and liabilities assumed reflected in the pro forma condensed combined financial information are subject to adjustment and may vary from the actual fair values assigned that will be recorded upon completion of the merger.

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Renasant Corporation and Subsidiaries

Pro Forma Condensed Combined Balance Sheet

(In thousands)

	Renasant Corporation 12/31/2012 (as reported)	First M&F Corporation 12/31/2012 (as reported)	Redemption of CDCI Preferred Stock	Purchase Accounting Adjustments	Pro Forma 12/31/2012 Combined
Assets					
Cash and due from banks	$ 132,420	$ 159,124	$	$	$ 291,544
Securities	674,077	348,562	(30,000)(a)		992,639
Mortgage loans held for sale	34,845	21,014		384 (b)	56,243
Loans, net of unearned income	2,810,253	975,473		(66,679)(c)	3,719,047
Allowance for loan losses	(44,347)	(17,492)		17,492 (d)	(44,347)
Loans, net	2,765,906	957,981		(49,187)	3,674,700
Premises and equipment, net	66,752	37,264			104,016
Other real estate owned	90,251	25,970		(7,791)(e)	108,430
Goodwill	184,859			74,340 (f)	259,199
Other intangible assets, net	6,066	4,159		20,173 (g)	30,398
Other assets	223,440	47,609		10,025 (h)	281,074
Total assets	$ 4,178,616	$ 1,601,683	$ (30,000)	$ 47,944	$ 5,798,243
Liabilities and shareholders equity					
Liabilities					
Deposits					
Noninterest-bearing	$ 568,214	$ 276,295	$	$	$ 844,509
Interest-bearing	2,893,007	1,126,380		4,332 (i)	4,023,719
Total deposits	3,461,221	1,402,675		4,332	4,868,228
Borrowings	164,706	70,655		(13,211)(j)	222,150
Other liabilities	54,481	9,910		4,638 (k)	69,029
Total liabilities	3,680,408	1,483,240		(4,241)	5,159,407
Shareholders equity					
Preferred stock		18,865	(18,865)(a)		
Common stock	133,579	46,154		(15,300)(l)	164,433
Surplus	218,128	32,713	(11,135)(a)	88,196 (m)	327,902
Retained earnings	180,628	19,180		(19,180)(m)	180,628
Treasury stock, at cost	(25,626)				(25,626)
Accumulated other comprehensive loss, net of taxes	(8,501)	1,531		(1,531)(m)	(8,501)
Total shareholders equity	498,208	118,443	(30,000)	52,185	638,836
Total liabilities and shareholders equity	$ 4,178,616	$ 1,601,683	$ (30,000)	$ 47,944	$ 5,798,243

See the accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Data

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Renasant Corporation and Subsidiaries

Pro Forma Condensed Combined Income Statement

(In thousands, except share data)

	Renasant Corporation 12/31/2012 (as reported)	First M&F Corporation 12/31/2012 (as reported)	Pro Forma Adjustments	Pro Forma 12/31/2012 Combined
Interest income				
Loans	$ 137,800	$ 55,772	$ 2,400 (c)	$ 195,972
Securities	21,314	7,004	(1,920)(a)(n)	26,398
Other	199	146		345
Total interest income	159,313	62,922	481	222,716
Interest expense				
Deposits	19,030	8,627	(1,444)(i)	26,213
Borrowings	6,945	2,902	(107)(j)	9,740
Total interest expense	25,975	11,529	(1,551)	35,953
Net interest income	133,338	51,393	2,031	186,762
Provision for loan losses	18,125	8,520	(d)	26,645
Net interest income after provision for loan losses	115,213	42,873	2,031	160,117
Noninterest income (1)				
Income from deposit activities	28,830	10,180		39,010
Income from mortgage banking activities	19,109	5,304		24,413
Insurance commissions	3,630	3,486		7,116
Wealth Management revenue	6,926	587		7,513
Gains on sales of securities, net of other than temporary impairment	1,894	528		2,422
BOLI income	3,370	696		4,066
Other	4,952	2,017		6,969
Total noninterest income	68,711	22,798		91,509
Noninterest expense				
Salaries and employee benefits	81,002	26,887		107,889
Data processing	8,724	1,428		10,152
Net occupancy and equipment	14,597	5,280		19,877
Other real estate owned	13,596	5,186		18,782
Advertising and public relations	4,835	1,071		5,906
Intangible amortization	1,381	427	3,997 (g)	5,805
Other	26,324	15,999		42,323
Total noninterest expense	150,459	56,278	3,997	210,734
Income before income taxes	33,465	9,393	(1,966)	40,892
Income taxes	6,828	2,408	(747)(o)	8,489
Net income	26,637	6,985	(1,219)	32,403
Dividends and accretion on preferred stock		1,901	(1,901)(a)	

Net income applicable to common stock	$	26,637	$	5,084	$	682	$	32,403
Earnings per common share:								
Basic	$	1.06					$	1.04
Diluted	$	1.06					$	1.03
Dividends per common share	$	0.68					$	0.68
Weighted-average common shares outstanding								
Basic		25,108,652		9,181,012		(3,010,156)(p)		31,279,508
Diluted		25,174,992		9,182,034		(3,011,178)(p)		31,345,848

(1) Certain historical amounts for Renasant and First M&F have been reclassified to ensure consistency and compatibility of pro forma amounts. The reclassifications had no impact on total noninterest income or net income applicable to common stock.

See the accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Data

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Renasant Corporation and Subsidiaries

Notes to Unaudited Pro Forma Condensed Combined Financial Data

Note 1 Pro Forma Adjustments

(In thousands, except share data)

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All adjustments are based on current valuations, estimates and assumptions which are subject to change.

(a) *Redemption of First M&F CDCI Preferred Stock* Securities and shareholders equity were adjusted for the fair value adjustment to and the subsequent redemption of the First M&F CDCI Preferred Stock. The preferred stock had a par value of $30,000 and a carrying value of $18,865 at December 31, 2012. The impact of the adjustment was to reverse the dividends and accretion on preferred stock recognized during the year ended December 31, 2012, as well as reduce interest income by the amount of interest foregone of $705 on the securities sold, assuming a weighted average yield of 2.35% on the acquired portfolio. The related warrant is expected to be redeemed by First M&F, or purchased by Renasant, concurrently; however, the price cannot be reasonably estimated at this time, and so the effects of this transaction are not reflected in the pro forma financial information.

(b) *Purchase Accounting Adjustments* A fair value adjustment was recorded to mortgage loans held for sale based on current interest rates offered by Renasant for similar loans.

(c) *Purchase Accounting Adjustments* Based on Renasant s initial evaluation of the acquired portfolio, a mark of 6.84% was applied to the acquired loans and leases resulting in a fair value adjustment of $66,679. The adjustment is primarily related to credit deterioration identified in the portfolio with the remainder, the accretable yield, recognized as an adjustment to reflect the difference between actual interest rates and current rates offered by Renasant on similar loans. The accretable yield adjustment will be recognized over the remaining life of the loan and lease portfolio. The impact of the adjustment was to increase loan interest income by $2,400 for the year ended December 31, 2012.

(d) *Purchase Accounting Adjustments* The allowance for loan losses was adjusted to reflect the reversal of First M&F s recorded allowance. Purchased loans acquired in a business combination are required to be recorded at fair value, and the recorded allowance for loan losses may not be carried over. While Renasant anticipates significantly reducing the provision for loan losses as a result of acquired loans being recorded at fair value, no adjustment to the historic amounts of First M&F s provision has been recorded in the Pro Forma Condensed Combined Income Statement.

(e) *Purchase Accounting Adjustments* Based on Renasant s initial evaluation of the acquired portfolio of OREO, a mark of 30% was applied to acquired OREO resulting in a fair value adjustment of $7,791. This adjustment is included to reflect Renasant s plans for accelerated disposition of the acquired OREO at current market conditions. The adjustment has no impact on the Pro Forma Condensed Combined Income Statement.

(f) *Purchase Accounting Adjustments* Goodwill of $74,340 was generated as a result of the total purchase price and fair value of liabilities assumed exceeding the fair value of assets purchased. See Note 2, Pro Forma Allocation of Purchase Price, for the fair values of assets acquired and liabilities assumed. The adjustment has no impact on the Pro Forma Condensed Combined Income Statement.

(g)

Purchase Accounting Adjustments First M&F s existing other intangible assets were reversed, and an identified incremental core deposit intangible of $24,332 was recognized. The core deposit intangible will be amortized on an accelerated basis over an estimated useful life of ten years. The amortization expense associated with the core deposit intangible increased noninterest expense $3,997 for the year ended December 31, 2012.

(h) *Purchase Accounting Adjustments* Deferred taxes associated with the adjustments to record the assets and liabilities of First M&F at fair value were recognized using Renasant s statutory rate of 38%.

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Renasant Corporation and Subsidiaries

Notes to Unaudited Pro Forma Condensed Combined Financial Data

(i) *Purchase Accounting Adjustments* A fair value adjustment was recorded to fixed-rate deposit liabilities based on current interest rates offered by Renasant for similar instruments. The adjustment will be recognized over the estimated remaining term of the related deposit liability. The impact of the adjustment was to decrease deposit interest expense by $1,444 for the year ended December 31, 2012.

(j) *Purchase Accounting Adjustments* A fair value adjustment was recorded to outstanding long-term debt instruments, which include FHLB advances and junior subordinated debentures. The adjustment will be recognized over the estimated remaining term of the long-term debt instruments. The impact of the adjustment was to decrease interest expense related to borrowings by $107 for the year ended December 31, 2012.

(k) *Purchase Accounting Adjustments* Other liabilities were adjusted to reflect the accrual of approximately $4,638 of anticipated merger related expenses to be incurred by First M&F. Anticipated merger related expenses to be incurred by Renasant are not included in the pro forma financial information but will be expensed in the period after the merger is completed. Anticipated merger related expenses consist of investment banking fees, legal fees, accounting fees, registration fees, contract termination fees, printing costs, etc.

(l) *Purchase Accounting Adjustments* Common stock was adjusted to reverse First M&F s common stock outstanding and to recognize the $5.00 par value of shares of Renasant common stock issued to effect the transaction. The adjustment has no impact on the Pro Forma Condensed Combined Income Statement, but only affects the number of shares outstanding used in the calculation of earnings per common share.

(m) *Purchase Accounting Adjustments* Other shareholders equity accounts were adjusted to reverse First M&F s historical shareholders equity balances and to reflect the net impact of all purchase accounting adjustments. The adjustments had no impact on the Pro Forma Condensed Combined Income Statement.

(n) *Pro Forma Adjustments* A net premium was recorded to reflect the excess of the purchase price over the par value of acquired investment securities. The net premium will be recognized over the estimated remaining life of the related investment securities. The impact was to reduce interest income related to securities by $1,215 for the year ended December 31, 2012.

(o) *Pro Forma Adjustments* Income taxes were adjusted to reflect the tax effects of purchase accounting adjustments using Renasant s statutory tax rate of 38%.

(p) *Pro Forma Adjustments* Weighted-average basic and diluted shares outstanding were adjusted to reverse First M&F basic and diluted shares outstanding and to record shares of Renasant common stock issued to effect the transaction.

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Renasant Corporation and Subsidiaries

Notes to Unaudited Pro Forma Condensed Combined Financial Data

Note 2 Pro Forma Allocation of Purchase Price

(In thousands, except share data)

The following table shows the pro forma allocation of purchase price to net assets acquired and the pro forma goodwill generated from the transaction:

Purchase Price:		
First M&F common shares outstanding at December 31, 2012	9,230,799	
Restricted stock awards vested at acquisition date	373,646	
Total First M&F shares to be paid in stock	9,604,445	
Exchange ratio	0.6425	
Renasant shares to be issued for First M&F shares	6,170,856	
Price per share, based on Renasant price of $22.77 as of March 25, 2013	$ 22.77	
Pro forma value of Renasant stock to be issued		$ 140,510
Fair value of First M&F options assumed		118
Total pro forma purchase price		$ 140,628
Net Assets Acquired:		
Cash and due from banks	$ 159,124	
Securities	318,562	
Mortgage loans held for sale	21,398	
Loans, net of unearned income	908,794	
Premises and equipment	37,264	
Other real estate owned	18,179	
Other intangible assets	24,332	
Other assets	57,634	
Total Assets	1,545,287	
Deposits:		
Non-interest bearing	276,295	
Interest bearing	1,130,712	
Total Deposits	1,407,007	
Borrowings	57,444	
Other liabilities	14,548	
Total Liabilities	1,478,999	
Net Assets		66,288
Goodwill (excess of estimated purchase price over net assets acquired)		$ 74,340

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THE MERGER

The discussion in this joint proxy statement/prospectus of the merger and the principal terms of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, a copy of which accompanies this joint proxy statement/prospectus as Annex A and is incorporated into this joint proxy statement/prospectus by reference. References in this discussion and elsewhere in this joint proxy statement/prospectus to the merger are to the merger of First M&F into Renasant, unless the context clearly indicates otherwise.

General

On February 6, 2013, the First M&F and Renasant board of directors, respectively, approved unanimously the merger agreement and the merger. If all of the conditions set forth in the merger agreement are satisfied or waived (to the extent permitted by law) and if the merger is otherwise completed, First M&F will merge with and into Renasant, and Renasant will be the surviving corporation. Immediately after the merger of First M&F with and into Renasant, M&F Bank will merge with and into Renasant Bank, and Renasant Bank will be the surviving corporation. At the effective time of the merger, each outstanding share of First M&F s common stock, par value $5.00 per share (other than any shares of First M&F common stock held in First M&F s treasury or owned by Renasant or any subsidiaries of First M&F or Renasant (other than in a fiduciary capacity or as a result of debts previously contracted)), will be converted into the right to receive 0.6425 (the exchange ratio) of a share of Renasant common stock, par value $5.00 per share.

In addition, in connection with the consummation of the merger, each outstanding share of First M&F CDCI Preferred Stock, as well as the related warrant held by the U.S. Treasury, will be either redeemed by First M&F or purchased by Renasant prior to the effective time of the merger. In the event this does not occur, each share of First M&F CDCI Preferred Stock issued and outstanding prior to the effective time of the merger will be converted into the right to receive one share of preferred stock, par value $0.01 per share, of Renasant to be designated, prior to the closing date of the merger, as Fixed Rate Cumulative Perpetual Preferred Stock, Class B Non-Voting, Series CD, stated liquidation amount $1,000 per share, and the related warrant will be converted into a warrant to purchase Renasant common stock, including appropriate adjustments to the number of shares of Renasant common stock purchasable thereunder and the exercise price thereof to reflect the exchange ratio. The merger is intended to qualify as a tax-free reorganization within the meaning of the Code.

Background of the Merger

As part of its ongoing consideration and evaluation of First M&F s long-term prospects and strategic plan, the First M&F board of directors and senior management have regularly reviewed and assessed First M&F s business strategies and objectives, including opportunities and challenges, all with the goal of enhancing shareholder value. The well-documented economic challenges that have faced the nation over the last few years have had a disproportionately negative impact on many of the markets First M&F serves. This has led to additional loan loss provisions, increases in total charge-offs, increases in expenses associated with problem assets, and diminished new loan demand from credit-worthy borrowers, all of which impacted First M&F s earnings capacity and its capital strength.

As a result of the difficult operating environment, First M&F participated in the Troubled Asset Relief Program, first under the Capital Purchase Program (CPP) and later converting to the Community Development Capital Initiative (CDCI), to access $30.0 million in capital through the issuance of preferred stock to the U.S. Treasury. Beginning in 2008, First M&F also implemented what it believes to be an effective problem loan action plan and strengthened its overall credit risk management structure, process and staffing, including risk rating accuracy and timeliness, underwriting, credit approval, monitoring and the remediation of problem credits. First M&F s asset quality has improved significantly as a result of these changes.

First M&F has historically maintained more than adequate capital levels. Maintaining its well-capitalized status throughout this difficult period was a priority for First M&F s board of directors and management, which was a major impetus for its participation in CPP, then CDCI. Although the economic environment showed some signs of improvement during the 2010-2012 time period, it also demonstrated that the economic recovery would be slow and prolonged due to high unemployment, low consumer confidence and a soft housing market. Unemployment rates within several of First M&F s markets continue to remain at historically elevated levels, exceeding national averages. Consumer confidence indicators continue to lag as businesses, hesitant to invest in the face of the fragile economic recovery and uncertain health insurance costs, continued to exercise restraint in capital spending and workforce increases. While First M&F developed a long-term capital plan that provided for repayment of the First M&F CDCI Preferred Stock and a return to higher dividend payments no earlier than 2017, management noted that the current economic environment had resulted in tepid loan growth and lower prospects for earnings improvement due to the continued downward re-pricing of earning assets and waning interest rate spreads.

As to Renasant, its strategic plans include growing its business through, among other things, acquisition opportunities, whether negotiated or FDIC-assisted transactions, that Renasant senior management identifies internally or has presented to it. As part of this ongoing process, in the summer of 2012, Renasant s Chairman, President and Chief Executive Officer, E. Robinson McGraw, and its Chief Financial Officer, Kevin D. Chapman, identified First M&F as a potential merger partner and thereafter undertook a more detailed analysis, based on publicly available information, of a potential acquisition of First M&F. Subsequent to this analysis, Mr. McGraw discussed approaching First M&F regarding a potential business combination with John M. Creekmore, Renasant s lead independent director (because it was then unclear whether First M&F would be amenable to such discussions, no further Renasant board action was taken at that time).

On October 15, 2012, Hugh S. Potts, Jr., Chairman and CEO of First M&F, received an unsolicited phone call from Mr. McGraw of Renasant. At that time, Mr. McGraw requested a meeting in person with Mr. Potts to discuss a potential business combination. Subsequent to this call, a meeting was set for November 21, 2012. On October 19, 2012, First M&F reported financial results for the third quarter of 2012. Prior to the scheduled meeting with Mr. McGraw, Mr. Potts contacted KBW and another investment banking firm that had periodically provided service in the past to request them to provide pro forma models of a projected merger with Renasant. Between October 26, 2012 and early November 2012, First M&F received models from KBW and the other investment banking firm containing, among other things, various pricing points to consider if preliminary pricing figures were to be presented by Renasant.

During the November 21 meeting, Mr. McGraw outlined a general strategic rationale for a possible combination between First M&F and Renasant and suggested a high-level look at publicly available information relative to a potential combination, but provided no pricing proposal. Following the meeting, Mr. Potts again contacted representatives of KBW requesting them to expand the preliminary analysis of a potential merger using publicly available information on both Renasant and First M&F.

On November 26, 2012, Mr. Potts met with First M&F s executive management group to report the meeting and the discussion. First M&F s executive management group considered the rationale for a combination and evaluated it against First M&F s prospects, but decided additional discussions were needed in respect of preliminary pricing to merit any further consideration. On or around December 3, KBW delivered a preliminary analysis and pro forma merger model which presented a range of potential prices for the First M&F common stock.

On December 7, 2012, a second meeting was held between Mr. Potts, Mr. McGraw, and Jeff Lacey, M&F Bank s President and Chief Banking Officer, and they discussed a range of prices between $10.50 and $13.50 per share of First M&F common stock, based on publicly available information. Later that day, Mr. McGraw sent a due diligence request list to Mr. Potts. A meeting of the Executive Committee of the board of directors of First M&F was also convened on December 7 to report the meeting with Mr. McGraw, and at this meeting the Executive Committee approved First M&F entering into a nondisclosure agreement with Renasant in order for both parties to conduct due diligence and exchange information.

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On December 12, 2012, at a regularly scheduled meeting of the Executive Committee of the board of directors of Renasant, Mr. McGraw and Mr. Chapman provided a high-level overview of the potential benefits to Renasant of a combination with First M&F and informed the Executive Committee of the progress to date and management s intention to proceed with due diligence. The committee authorized Mr. McGraw to proceed with entering into a nondisclosure agreement in order to begin due diligence on First M&F.

On December 18, 2012, Renasant and First M&F entered into a mutual nondisclosure agreement and the parties commenced due diligence. During the discussions concerning the nondisclosure agreement, Renasant sought an exclusivity provision that would have prohibited First M&F from conducting discussions or negotiations with other potential acquirors of First M&F. However, First M&F refused the inclusion of a blanket exclusivity provision, and as a result the parties revised this provision to permit First M&F to discuss potential business combinations with other parties received on an unsolicited basis.

On December 28, 2012, Mr. McGraw indicated to Mr. Potts that Renasant was prepared to move forward with further discussions. Mr. McGraw also communicated that it was his intention to prepare a letter of intent to be approved by both Renasant s Executive Committee and board of directors at Renasant s January 15, 2013 board of directors meeting.

Subsequently, representatives of Renasant and representatives of First M&F discussed logistical considerations for reciprocal due diligence and, upon being granted access by Renasant to its electronic data room, First M&F began uploading data to the data room for access by Renasant. At that time, First M&F also began its diligence review of Renasant. The reciprocal due diligence reviews continued until the approval of the merger agreement.

On January 2, 2013, the First M&F Executive Committee of the board of directors received an update on the meetings and discussions with Renasant. Mr. Potts also expressed the need to formally secure the services of an experienced investment banker and recommended KBW. Mr. Potts had already solicited analyses from KBW and another experienced investment banking firm and therefore First M&F did not shop investment banking services further because of the detailed and satisfactory work KBW had performed in the previous months regarding the proposed Renasant business combination as well as KBW s familiarity with First M&F through the years on various matters. Upon Mr. Potts recommendation, on January 3, 2013, First M&F formally engaged KBW to assist in evaluating the proposal with the proposed pricing figures, analyze potential alternatives, including remaining independent, and assist in negotiations if the discussions with Renasant progressed. Mr. Potts, Mr. Lacey, John Copeland (First M&F s Executive Vice President and Chief Financial Officer), and Sam Potts (a Senior Vice President of First M&F) continued to confer with representatives of KBW regarding Renasant s inquiry and modeled pro forma mergers with Renasant and other potential partners.

Also on January 3, 2013, First M&F s legal counsel, Jones Walker LLP, Jackson, Mississippi, reviewed with Mr. Potts and senior management its and the First M&F board of directors fiduciary duties in respect of the merger inquiry.

On January 4, 2013, Renasant contacted Sandler to assist in performing financial analysis in preparing a potential letter of intent and to assist in negotiations if discussions with First M&F progressed. In advance of Renasant s regularly-scheduled January board meeting, Mr. McGraw and Mr. Chapman continued to confer with representatives of Sandler regarding pro forma financial results of the combined company in a variety of assumed scenarios.

At a regular meeting of the Renasant board of directors held on January 15, 2013 with representatives of Sandler present, Mr. McGraw updated the board of directors regarding the status of the negotiations between Renasant and First M&F. Mr. McGraw and Mr. Chapman provided the board with an analysis of the impact on Renasant s key financial metrics from a merger with First M&F in a variety of pricing scenarios and with varying assumptions to be validated with further due diligence. Representatives of Sandler made a presentation to the board regarding recent bank and thrift merger and acquisition transactions, including prices paid, estimated cost

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savings realized and the potential impact on an acquiror s stock prices upon announcement of the acquisition. After a lengthy discussion of the information provided by Renasant management and representatives from Sandler, the Renasant board authorized management to execute a letter of intent with First M&F proposing an all-stock transaction with a price ranging from $11.50 to $13.25.

On January 15, 2013, First M&F received a letter of intent from Renasant proposing an all-stock transaction at an indicative value of $12.00 with a range of $11.50 to $13.25 per share of First M&F common stock based upon the outcome of further due diligence. The most recent closing sale price of First M&F s common stock prior to that date was $7.58 per share.

At a regular meeting of the First M&F board of directors held on January 16, 2013 with representatives of KBW present, Mr. Potts reported to the board of directors the receipt of the original letter of intent from Renasant and the discussions he had on December 7, 2012 and subsequently with Mr. McGraw. The board of directors discussed this interest from Renasant. The First M&F board of directors discussed their duty to review and consider, but not necessarily approve, the letter of intent. Mr. Potts reminded the board of directors that they had the opportunity and right to terminate discussions with Renasant at any time. Also on January 16, 2013, First M&F received a revised letter of intent which, at the request of First M&F, reduced the period of exclusivity and the proposed diligence timeline of Renasant from 58 days to 23 days. After discussing the revised letter of intent, representatives of KBW made a presentation providing an update on current market conditions, addressing Renasant s preliminary financial proposal and several financial analyses of First M&F s strategic alternatives, including its prospects as a stand-alone company. Regarding First M&F s prospects as a stand-alone company, these analyses included analyst and management estimates of earnings per share and net income available to common shareholders and existing limitations on First M&F dividends. Even with the improvement of First M&F earnings in recent years, management noted that even optimistic assumptions likely resulted in a continued dividend limitation of First M&F for several more years, notwithstanding the dividend limitations imposed by the First M&F CDCI Preferred Stock.

The analyses also included a comparison of certain financial information on recent comparable transactions, and the strategic, competitive and financial capabilities and capacities of other financial services companies to engage in a potential business combination with First M&F. The prospects of financial institutions in the southeast with the ability to consummate such a business combination were considered. Using publically available information and making certain assumptions such as a fixed breakeven period for potential acquirors tangible book values, KBW modeled different pricing metrics for more than 10 potential acquirors. The analyses estimated that Renasant s proposed pricing was well above median for certain pricing metrics such as aggregate deal value, premium to market, price to tangible book value, and the resultant ownership percentage of other potential acquirors. Further, the analyses noted that recent transactions in the Southeast would likely preclude certain potential acquirors from seriously contemplating a business combination with First M&F in the near term. In particular, the analysis showed that certain potential acquirors could conceivably offer a higher per share price to the holders of First M&F common stock; however, each of these potential acquirors were either in the process of closing major business combinations during the first quarter of 2013 or had recently completed a major business combination. Therefore, the First M&F board of directors determined that the potential acquirors with the ability to conceivably offer a higher price to holders of First M&F common stock would be unlikely partners for a business combination with First M&F.

Using input gathered from First M&F s management, the First M&F board of directors considered earnings prospects and dividend capability over the next several years. The board of directors further considered whether the timing was appropriate to consider a transaction with Renasant, whether Renasant s proposal warranted authorization of an approval to execute a non-binding letter of intent, and whether entering into merger discussions would expose First M&F to other risks. The board of directors also discussed whether to consider contacting other parties to ascertain their potential interest in a business combination. The board of directors decided not to conduct a wider process after taking into account all the risks, including the timing required of a broader process and the limited likelihood that such a process might result in another party s willingness to make a superior proposal. Mr. Potts summarized the executive management group s preliminary recommendations for the board of directors. The board of directors authorized management and KBW to attempt to negotiate an increase in the merger consideration from Renasant and to request board seats proportional to ownership in the resulting entity from the proposed transaction. Additionally, the board of directors authorized Mr. Potts to execute the revised letter of intent on behalf of First M&F.

On January 29, 2013, Phelps Dunbar, LLP, New Orleans, Louisiana, legal counsel to Renasant, presented a proposed merger agreement to Jones Walker, LLP.

Subsequently, Messrs. Potts and Lacey met over the phone with Mr. McGraw to discuss generally Renasant s integration plans. Representatives from First M&F and Jones Walker, LLP also met to discuss a number of issues raised by the merger agreement.

Negotiations continued between legal counsel for Renasant and legal counsel for First M&F, including further exchanges of draft merger agreements, and Renasant and First M&F continued to engage in communications related to their corresponding diligence reviews. KBW provided Mr. Potts further information regarding potential pricing scenarios to assist his negotiations with Mr. McGraw about increasing the merger consideration.

On February 1, 2013 and again on February 2 and February 4, 2013, Mr. Potts talked with Mr. McGraw to further discuss certain terms of the transaction. During these conversations, Mr. McGraw suggested a fixed exchange ratio of approximately 0.6100 shares of Renasant common stock for each share of First M&F common stock, while Mr. Potts suggested an exchange ratio of approximately 0.6700. Ultimately, the parties agreed to a fixed exchange ratio of 0.6425 per share which increased the indicative value of the proposed transaction as of February 4, 2013 from $12.00 to approximately $12.51 for each share of First M&F common stock, due in part to additional expected cost savings identified by Renasant and First M&F. Due to the increased aggregate deal value resulting from the fixed exchange ratio, Mr. McGraw and Mr. Potts agreed to a proportionate increase in the termination fee to $5.8 million from $4.6 million. Prior to the agreement on a fixed exchange ratio that raised the implied value per share of First M&F common stock to $12.51, the highest most recent closing sale price of First M&F s common stock was $8.20 per share.

A specially called informational meeting of the First M&F board of directors was held on February 4, 2013. An update in respect of the status of negotiations was provided and the draft definitive agreement was discussed, including the exchange ratio (0.6425), implied price per share of First M&F common stock ($12.51), projected double-digit earnings per share accretion to First M&F common stock, implied dividend per share of Renasant common stock ($0.11 quarterly per share) and pro-forma ownership of the combined company by the holders of First M&F common stock (approximately 19.7%). The First M&F board of directors reviewed Renasant s latest proposal. Additionally, the First M&F board of directors considered certain other terms of the proposed merger agreement including the termination fee, certain restrictions regarding soliciting another potential business combination and the right of Renasant to match any potentially superior unsolicited offer that First M&F may receive prior to the closing of the potential merger. Regarding the termination fee, the analysis demonstrated that a termination fee such as the one proposed in the merger agreement was within a range of recent comparable business combination transactions. The First M&F board of directors then considered that the proposed termination fee of $5.8 million was approximately 4.8% of the proposed aggregate deal value (or 3.9% if the expected costs of redeeming/purchasing the First M&F CDCI Preferred Stock is taken into account), assuming a $12.51 implied price per share of First M&F common stock.

At 10:00 a.m., February 6, 2013, Renasant s board of directors convened a special meeting. The board of directors received reports from Renasant management on the status of the negotiations with First M&F. Management discussed its due diligence findings, including with respect to potential credit deterioration and expense savings. In addition, management discussed the terms of the merger including the status of and provisions contained in the definitive agreement, the fixed exchange ratio of 0.6425 and the implied purchase price based on the preceding 10-day average closing price of Renasant common stock. In addition, management discussed the proposed composition of the combined company s management team following the merger and the proposal that two current First M&F directors be added to Renasant s board. Following management s presentation, representatives of Sandler presented a detailed analysis of the financial aspects of the proposed merger and orally delivered Sandler s opinion (subsequently confirmed in writing) that the merger consideration was fair, from a financial point of view, to Renasant. After further discussion and deliberation, Renasant s board of directors, having determined that the terms of the merger, the related merger agreement and the transactions contemplated thereby, including the merger, were fair to and in the best interests of Renasant and its shareholders, unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, authorized Mr. McGraw to sign the merger agreement on behalf of Renasant and Renasant Bank, directed that the merger agreement be submitted to Renasant s shareholders for adoption and approval, and recommended that shareholders vote in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby, including the merger.

At 10:00 a.m., February 6, 2013, a specially called meeting of First M&F s board of directors was convened. The board of directors received reports from First M&F management on the current status of the proposal from Renasant. At that time, the board of directors further deliberated whether or not to remain independent or to consider a transaction with Renasant. The board of directors considered, among other things, a fixed exchange ratio versus a fixed dollar amount for each share of First M&F common stock. The First M&F board of directors also considered that, although the performance of First M&F had significantly improved, dividends would be limited to $0.04 per share per year until First M&F could repay the First M&F CDCI Preferred Stock which was not expected to occur prior to 2017 without the sale of common stock at a price dilutive to existing shareholders. Representatives of Jones Walker LLP provided a review of the directors fiduciary duties when considering a strategic transaction. Representatives of KBW presented a detailed analysis of the financial aspects of the proposed merger and orally delivered KBW s opinion (subsequently confirmed in writing) that the merger consideration was fair, from a financial point of view, to First M&F s shareholders. Additionally, First M&F management discussed their assessment of Renasant s culture and prospects as a combined company, including the positive benefits anticipated for shareholders and employees of First M&F as shareholders and employees of Renasant. Following discussions, the First M&F board of directors determined that it was open to pursuing a strategic alternative that protected the best interests of First M&F, the shareholders and the community. The special meeting of the board of directors was recessed at 12:30 p.m., but not adjourned.

At 1:15 p.m. on February 6, 2013, the special meeting of the First M&F board of directors reconvened to discuss the merits of the proposal from Renasant. The board of directors discussed whether further delay might result in the loss of the current attractive proposal. The directors also discussed and deliberated about the stock values of the proposal from Renasant and the strategic strengths and weaknesses of a potential combination between the financial institutions, including the quarterly dividend payment capacity of First M&F at $0.01 per share over the next several years compared to the implied quarterly dividend capacity of Renasant at $0.11 per share when considering the fixed exchange ratio. As part of this analysis, the board of directors considered the relative regulatory approval risks, the results of reverse due diligence on Renasant and various cultural and social issues, including the characteristics and stability of the management teams and the likelihood for a successful long term integration of the businesses and people and resultant stock appreciation. The First M&F board of directors also considered the $5.8 million termination fee (which had been proportionately increased with the increase in the indicative value of the merger due to the fixed exchange ratio) and determined that it was a reasonable provision in a deal of this nature insofar as it facilitated agreement with Renasant and discouraged offers of marginally higher pricing that would be offset by additional due diligence and advisory fees incurred by First M&F. It was noted that the merger agreement, if approved, would become a public document and any potential bidder would be able to review the relevant information about Renasant s offer and could fashion an offer if it desired. Further, since the proposed merger agreement contained a provision allowing the First M&F board of directors to accept an alternative offer (subject to the termination fee) if it was in the best interest of the shareholders, the non-solicitation provision did not preclude other potential offers. Finally, the First M&F board of directors discussed the matching rights granted to Renasant in the event that a superior offer was presented to First M&F or its board of directors and it was noted that such a provision was customary in a proposed deal of this nature and served as consideration for Renasant s good faith offer and expenses associated with advancing the proposed deal to this point.

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The First M&F board of directors discussed the terms of the lock-up agreements for directors whereby, if the merger agreement was approved, the directors (in their capacities as holders of First M&F common stock) would agree to vote their shares in favor of the proposed merger. The directors discussed the differences between the version of these agreements with non-employee directors, which contained a non-competition provision, and the version with directors that were employees of First M&F, which did not contain a non-competition provision. It was noted that employment law in Mississippi would prohibit such a non-competition provision, but that no employment arrangements had been agreed to between Renasant and any First M&F employee at this time. After considering all of these different items, First M&F s board of directors concluded that with respect to price and other relevant factors, the Renasant transaction would result in better long-term value and a more successful business combination for First M&F shareholders than remaining independent or that could be obtained by pursuit of other bidders. Representatives of Jones Walker LLP provided the board of directors with an update on the final changes in the Renasant version of the merger agreement, explained the proposed resolutions to the board of directors and considerations in approving a merger agreement.

After further discussion and deliberation, the First M&F board of directors, having determined that the terms of Renasant s proposal, the related merger agreement and the transactions contemplated thereby, including the merger, were fair to and in the best interests of First M&F and its shareholders, unanimously approved and declared advisable the merger agreement and the transactions contemplated thereby, including the merger, authorized Mr. Potts to sign the merger agreement on behalf of First M&F and M&F Bank, directed that the merger agreement be submitted to First M&F s shareholders for adoption and approval, and recommended that shareholders vote in favor of the adoption and approval of the merger agreement and the transactions contemplated thereby, including the merger.

Later that evening, Renasant and First M&F executed the merger agreement. Prior to market open on February 7, 2013, the proposed merger was publicly announced.

First M&F s Reasons for the Merger; Recommendation of the First M&F Board of Directors

After careful consideration, the First M&F board of directors determined that the merger agreement and the transactions contemplated by the merger agreement were advisable and in the best interests of First M&F and its shareholders and approved the merger agreement and the transactions contemplated by the merger agreement, including the merger. Accordingly, First M&F s board of directors recommends that First M&F shareholders vote FOR adoption and approval of the merger agreement at the First M&F special meeting.

In reaching its decision, the First M&F board of directors consulted with its senior management team, as well as its outside legal and financial advisors, and considered a number of factors, including the following material factors (not in any relative order of importance):

- the board of directors understanding of the business, operations, financial condition, asset quality, earnings and prospects of First M&F, including its prospects as an independent entity, and management s and the board of directors views and opinions on the current state of the financial services industry;

- the board of directors understanding of Renasant s business, operations, financial condition, asset quality, earnings and prospects, including its review and discussions with First M&F management concerning the due diligence examination of Renasant, its view that the merger would result in a combined company with a diversified revenue stream, a well-balanced loan portfolio and an attractive funding base, and the complementary nature of the cultures of the two companies, which First M&F management believes should facilitate integration of the two companies;

- the board of directors belief that the merger is more favorable to First M&F s shareholders than the alternatives to the merger, including conducting a private or public auction or sale process, which belief was formed based on the board of directors review, with the assistance of KBW, First M&F s financial advisor, of the strategic alternatives available to First M&F;

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the fact that, because the merger consideration consists solely of shares of Renasant common stock, First M&F common shareholders will have the opportunity to participate in the future performance of the combined businesses and the value to First M&F shareholders represented by the merger consideration, which represented a premium of approximately 64.36% based on the average closing share price of both First M&F and Renasant common stock for the 30-day trading period ended on February 6, 2013, the last trading day prior to the public announcement of the merger agreement;

the historical and current market price of Renasant s common stock and its dividend track record, which could provide First M&F s shareholders with the ability to realize increased value following the merger, including a significantly increased implied quarterly dividend per share of First M&F common stock of $0.11, compared to the current rate of $0.01 per share, which dividend rate, based on the estimates of First M&F management, First M&F would be unlikely to match for several years if it remained an independent entity (and in no event prior to the redemption of the First M&F CDCI Preferred Stock);

the market consensus on likely projected target earnings and the higher trading multiple assigned to Renasant s common stock in comparison to First M&F s common stock;

the financial analyses presented by KBW and the oral opinion of KBW delivered on February 6, 2013, subsequently confirmed by a written opinion dated the same date, to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations, qualifications and conditions described in KBW s opinion, the merger consideration to be received by holders of First M&F common stock in the merger was fair, from a financial point of view, to such holders, as more fully described below under the caption The Merger Opinion of First M&F s Financial Advisor beginning on page ;

the comparatively attractive growth prospects of Renasant as evidenced by recent growth trends and projections as well as the attractiveness of certain of Renasant s markets;

the greater liquidity and per share market growth potential afforded by Renasant s stock;

the financial and other terms of the merger agreement, which it reviewed with KBW and Jones Walker LLP, including:

the fixed exchange ratio, which provided additional upside potential to the benefit of holders of First M&F common stock in the event that the market recognized the contribution the transaction would make to the earnings and success of the combined company;

tax treatment;

First M&F s ability, under certain circumstances specified in and prior to the time First M&F shareholders adopt the merger agreement, to (1) provide non-public information in response to a written acquisition proposal and (2) participate in discussions or negotiations with the person making such a proposal, if, in each case, the acquisition proposal was not the result of a material violation of the provisions of the merger agreement relating to the solicitation of acquisition proposals, and if the board of directors, prior to taking any such actions, determines in good faith, after consultation with its outside legal counsel, that failure to take such actions would violate the First M&F board of directors fiduciary duties under applicable law and, after consultation with its financial advisor and outside counsel, that such acquisition proposal either constitutes a superior proposal or is reasonably likely to lead to a superior proposal;

the board of directors ability, under certain circumstances, to withhold, withdraw, qualify or modify its recommendation to First M&F shareholders, subject to the potential payment by First M&F of a termination fee of $5.8 million to Renasant, which the board of directors concluded was reasonable in the context of termination fees in comparable transactions and in light of the overall terms of the merger agreement, including the merger consideration and the cost of redeeming or purchasing, as applicable, the First M&F CDCI Preferred Stock;

- the fact that the outside date under the merger agreement allows for sufficient time to complete the merger;
- the level of effort that Renasant must use under the merger agreement to obtain required regulatory approvals, and the prospects for such approvals being obtained in a timely fashion and without the imposition of any conditions of the type described in The Merger Regulatory Approvals Required for the Merger on page ; and
- the fact that the merger provides for the retirement or assumption and repayment of all of First M&F s obligations under the terms of the First M&F CDCI Preferred Stock and related warrant to purchase shares of First M&F common stock held by the U.S. Treasury.

The First M&F board of directors also considered a variety of potentially negative factors in its deliberations concerning the merger agreement and the merger, including the following (not in any relative order of importance):

- the fact that, because the merger consideration is a fixed exchange ratio of shares of Renasant common stock to First M&F common stock, First M&F shareholders could be adversely affected by a decrease in the trading price of Renasant common stock during the pendency of the merger;
- the fact that, while First M&F expects that the merger will be consummated, there can be no assurance that all conditions to the parties obligations to complete the merger agreement will be satisfied, including the risk that certain regulatory approvals, the receipt of which are conditions to the consummation of the merger, might not be obtained, and, as a result, the merger may not be consummated;
- the risk that potential benefits and synergies sought in the merger may not be realized or may not be realized within the expected time period, and the risks associated with the integration of the two companies;
- the restrictions on the conduct of First M&F s business prior to the completion of the merger, which are customary for public company merger agreements involving financial institutions, but which, subject to specific exceptions, could delay or prevent First M&F from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of First M&F absent the pending completion of the merger;
- the significant risks and costs involved in connection with entering into and completing the merger, or failing to complete the merger in a timely manner, or at all, including as a result of any failure to obtain required regulatory approvals, such as the risks and costs relating to diversion of management and employee attention, potential employee attrition, and the potential effect on business and customer relationships;
- the fact that First M&F would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement, and the possibility that the $5.8 million termination fee payable by First M&F upon the termination of the merger agreement under certain circumstances could discourage other potential acquirers from making a competing bid to acquire First M&F;
- the fact that First M&F shareholders would not be entitled to appraisal rights in connection with the merger; and
- the possibility of litigation in connection with the merger.

The foregoing discussion of the information and factors considered by the First M&F board of directors is not intended to be exhaustive, but includes the material factors considered by the board of directors. In view of the variety of factors considered in connection with its evaluation of the merger, the First M&F board of directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determination and recommendation. In addition, individual directors may have given different weights to different factors. The First M&F board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The First M&F board of directors based its recommendation on the totality of the information presented.

The First M&F board of directors unanimously recommends that you vote FOR the proposal to adopt the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

In considering the recommendation of the First M&F board of directors with respect to the proposal to adopt the merger agreement, First M&F shareholders should be aware that First M&F s directors and executive officers have interests in the merger that are different from, or in addition to, those of other First M&F shareholders. The board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger (to the extent such interests existed at that time), and in recommending that the merger agreement be adopted by the shareholders of First M&F. See The Merger Interests of Certain First M&F Directors and Executive Officers in the Merger beginning on page .

It should be noted that this explanation of the reasoning of First M&F s board of directors and other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading Special Note Regarding Forward-Looking Statements on page .

Renasant s Reasons for the Merger; Recommendation of the Renasant Board of Directors

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger agreement, the Renasant board of directors consulted with Renasant management, as well as Sandler and Phelps Dunbar, LLP, and considered a number of factors, including the following material factors:

- each of Renasant s and First M&F s business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the Renasant board of directors considered that the merger (1) will expand Renasant s business into new demographically attractive markets such as Jackson, Mississippi, as well expand in its current markets of Memphis, Tennessee, and Birmingham, Alabama; (2) will increase Renasant s core deposit base, an important funding source; (3) will provide Renasant with an experienced management team and quality bank branches in Mississippi, Tennessee and Alabama; and (4) will provide Renasant with the opportunity to sell Renasant s broad array of products to First M&F s client base;

- its understanding of the current and prospective environment in which Renasant and First M&F operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on Renasant both with and without the proposed transaction;

- management s expectation regarding cost synergies, accretion and internal rate of return, including the expectation that Renasant will obtain cost savings of approximately 25%, or $12.7 million, on a pre-tax basis fully realized in 2014, that the transaction is expected to be immediately accretive to earnings in 2013 (even when including the recognition of one-time merger-related expenses) and double digit accretive in 2014 (when cost synergies are expected to be fully phased in) and that the transaction would have an internal rate of return of approximately 20%, all of which will ultimately be to the benefit of the combined company s shareholders;

- its review and discussions with Renasant s management concerning the due diligence examination of First M&F;

- the complementary nature of the cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

management s expectation that Renasant will retain its strong capital position upon completion of the transaction, with regulatory capital ratios exceeding well-capitalized requirements and a tangible common equity ratio of approximately 6.5% after restructuring charges;

the written opinion of Sandler O Neill, Renasant s financial advisor, dated as of February 6, 2013, delivered to the Renasant board of directors to the effect that, as of that date, and subject to and based on the various assumptions, considerations, qualifications and limitations set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to Renasant;

the financial and other terms of the merger agreement, including the fixed exchange ratio, tax treatment and deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating First M&F s business, operations and workforce with those of Renasant;

the potential risk of diverting management attention and resources from the operation of First M&F s business and towards the completion of the merger; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the information and factors considered by the Renasant board of directors is not intended to be exhaustive, but includes the material factors considered by the Renasant board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Renasant board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Renasant board of directors considered all these factors as a whole, including discussions with, and questioning of, Renasant s management and Renasant s financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the Renasant board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Renasant and its shareholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it. The Renasant board of directors unanimously recommends that you vote FOR the proposal to adopt the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Opinion of First M&F s Financial Advisor

On January 3, 2013, First M&F engaged KBW to render financial advisory and investment banking services to First M&F. KBW agreed to assist First M&F in assessing the fairness, from a financial point of view, of the consideration in the proposed merger with Renasant, to the shareholders of First M&F. First M&F selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with First M&F and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial services companies and their securities in connection with mergers and acquisitions. First M&F did not seek to retain any other financial advisors.

As part of its engagement, representatives of KBW attended the meetings of the First M&F board of directors held on January 16, 2013, and February 6, 2013, at which the First M&F board evaluated the proposed merger with Renasant. At the February 6, 2013 meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion that, as of such date, the exchange ratio was fair, from a financial point of view, to the holders of First M&F common stock. The First M&F board approved the merger agreement at this meeting.

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The full text of KBW s written opinion is attached as Annex B to this document and is incorporated herein by reference. First M&F shareholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion.

KBW s opinion speaks only as of the date of the opinion. The opinion is directed to the First M&F board and addresses only the fairness, from a financial point of view, of the exchange ratio to the holders of First M&F common stock. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any First M&F shareholder as to how the shareholder should vote at the First M&F special meeting on the merger or any related matter.

In rendering its opinion, KBW reviewed, among other things,

- the merger agreement;
- Annual Reports to Stockholders and the Annual Reports on Form 10-K for the three years ended December 31, 2011 of First M&F and Renasant, respectively;
- certain interim reports to stockholders and Quarterly Reports on Form 10-Q of First M&F and Renasant, respectively, and certain other communications from First M&F and Renasant to their respective stockholders; and
- other financial information concerning the businesses and operations of First M&F and Renasant furnished to KBW by First M&F and Renasant for purposes of KBW s analysis.

In addition, KBW held discussions with members of senior management of First M&F and Renasant regarding past and current business operations, regulatory relations, financial condition and future prospects of their respective companies, and other matters KBW deemed relevant. In addition, KBW compared certain financial and stock market information for First M&F and Renasant with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the banking industry, and performed other studies and analyses that it considered appropriate.

In conducting its review and arriving at its opinion, KBW relied upon the accuracy and completeness of all of the financial and other information provided to them or otherwise publicly available. KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility for such verification or accuracy. KBW relied upon the management of First M&F and Renasant as to the reasonableness and achievability of the financial and operating forecasts and projections (and the assumptions and bases therefor) provided to KBW and assumed that such forecasts and projections reflected the best currently available estimates and judgments of such managements and that such forecasts and projections will be realized in the amounts and in the time periods estimated by such managements. KBW assumed, without independent verification, that the aggregate allowance for loan and lease losses for First M&F and Renasant were adequate to cover those losses. KBW did not make or obtain any evaluations or appraisals of the property, assets or liabilities of First M&F or Renasant, nor did it examine any individual credit files.

The projections furnished to KBW and used by it in certain of its analyses were prepared by First M&F s and Renasant s senior management teams. First M&F and Renasant do not publicly disclose internal management projections of the type provided to KBW in connection with its review of the merger. As a result, such projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections.

For purposes of rendering its opinion, KBW assumed that, in all respects material to its analyses:

- the merger will be completed substantially in accordance with the terms set forth in the merger agreement with no additional payments or adjustments to the exchange ratio;

- the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

- each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

- all conditions to the completion of the merger will be satisfied without any waivers or modifications to the merger agreement; and

- in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements and related expenses expected to result from the merger.

KBW further assumed that the merger will be accounted for using the acquisition method under accounting principles generally accepted in the United States of America, and that the merger will qualify as a tax-free reorganization for United States federal income tax purposes. KBW s opinion is not an expression of an opinion as to the prices at which shares of First M&F common stock or shares of Renasant common stock will trade following the announcement of the merger or the actual value of the shares of common stock of the combined company when issued pursuant to the merger, or the prices at which the shares of common stock of the combined company will trade following the completion of the merger.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, First M&F and Renasant. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the First M&F board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the First M&F board with respect to the fairness of the consideration.

The following is a summary of the material analyses presented by KBW to the First M&F board on February 6, 2013, in connection with its fairness opinion. The summary is not a complete description of the analyses underlying the KBW opinion or the presentation made by KBW to the First M&F board, but summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not purport to be a complete description of the financial analyses, but represent a fair summary of such.

Summary of Proposal. Pursuant to the terms of the merger agreement, each outstanding share of common stock, par value $5.00 per share, of First M&F not owned by First M&F or Renasant or by any of their respective wholly-owned subsidiaries other than shares owned in a fiduciary capacity or as a result of debts previously contracted, will be converted into the right to receive 0.6425 shares of common stock, par value $5.00 per share, of Renasant (the exchange ratio). Based on Renasant s closing price on February 5, 2013, of $19.59, the exchange ratio represented a price of $12.59 per share to holders of First M&F common stock.

Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of First M&F to the following institutions traded on the New York Stock Exchange, NYSE MKT Equities or NASDAQ and headquartered in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina and Tennessee with total assets between $1.0 billion and $4.0 billion, and excluded announced merger targets as of February 5, 2013. Companies included in this group were:

1st United Bancorp, Inc.	First Security Group, Inc.
Ameris Bancorp	Heritage Financial Group, Inc.
Capital City Bank Group, Inc.	MidSouth Bancorp, Inc.
CenterState Banks, Inc.	Palmetto Bancshares, Inc.
Colony Bankcorp, Inc.	Seacoast Banking Corporation of Florida
Fidelity Southern Corporation	Simmons First National Corporation
First Financial Holdings, Inc.	State Bank Financial Corporation

Using publicly available information, KBW compared the financial performance, financial condition, and market performance of Renasant to the following institutions traded on the New York Stock Exchange, NYSE MKT Equities or NASDAQ headquartered in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee with total assets between $3.0 billion and $10.0 billion. Companies included in this group were:

Ameris Bancorp	Home BancShares, Inc.
Bank of the Ozarks, Inc.	Pinnacle Financial Partners, Inc.
BNC Bancorp	SCBT Financial Corporation
Capital Bank Financial Corporation	Simmons First National Corporation
First Bancorp	Trustmark Corporation
First Financial Holdings, Inc.	United Community Banks, Inc.

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To perform this analysis, KBW used financial information as of the most recent three month period available (ended either December 31, 2012 or September 30, 2012) while market price information was as of February 5, 2013. Earnings estimates for 2013 and 2014 were taken from a nationally recognized earnings estimate consolidator for selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in First M&F s and Renasant s historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW s analysis showed the following concerning First M&F s and Renasant s financial condition:

	First M&F	First M&F Group Minimum	First M&F Group Maximum
Return on Average Assets	0.46%	(3.18%)	1.40%
Return on Average Equity	6.19%	(68.39%)	11.43%
Net Interest Margin	3.56%	2.30%	7.76%
Efficiency Ratio	75%	59%	150%

	Renasant	Renasant Group Minimum	Renasant Group Maximum
Return on Average Assets	0.70%	(3.18%)	2.15%
Return on Average Equity	5.80%	(29.70%)	16.99%
Net Interest Margin	3.97%	3.44%	5.84%
Efficiency Ratio	72%	46%	94%

	First M&F	First M&F Group Minimum	First M&F Group Maximum
Tangible Common Equity / Tangible Assets	5.97%	1.04%	15.83%
Leverage Ratio (1)	8.83%	3.70%	15.73%
Loan Loss Reserve / Loans (2)	1.76%	0.70%	3.03%
Nonperforming Assets / Assets (2)(3)	3.49%	0.22%	7.53%
Nonperforming Assets / Loans + OREO (2)(3)	5.47%	0.60%	11.12%
LTM Net Charge-Offs / Average Loans (2)	0.61%	0.06%	2.76%

	Renasant (2)	Renasant Group Minimum	Renasant Group Maximum
Tangible Common Equity / Tangible Assets	7.70%	5.67%	13.76%
Leverage Ratio	9.86%	9.70%	14.17%
Loan Loss Reserve / Loans (2)	1.70%	1.36%	2.62%
Nonperforming Assets / Assets (2)(3)	2.42%	0.57%	3.69%
Nonperforming Assets / Loans + OREO (2)(3)	3.81%	1.47%	6.43%
LTM Net Charge-Offs / Average Loans (2)	0.75%	0.05%	3.02%

(1) *First M&F leverage ratio bank level*

(2) *Asset quality ratios were adjusted to exclude loans and OREO covered by loss share agreements with the FDIC, as a result of failed bank acquisitions*

(3) *Nonperforming assets include nonaccrual loans, restructured loans, OREO and other nonaccrual assets*

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KBW s analysis showed the following concerning First M&F s and Renasant s market performance:

	First M&F	First M&F Group Minimum	First M&F Group Maximum
Market Capitalization ($ Million)	$ 77	$ 5	$ 513
1-year Stock Price Change	134.2%	(22.1%)	78.0%
1-year Total Return	135.9%	(22.1%)	78.0%
Dividend Yield	0.48%	0.00%	3.12%
Stock Price / Book Value per Share	76.8%	41.3%	154.3%
Stock Price / Tangible Book Value per Share	80.2%	43.7%	187.5%
Stock Price / 2013 EPS (4)	10.6x	9.8x	51.5x
Stock Price / 2014 EPS (4)	8.0x	9.3x	37.1x

	Renasant	Renasant Group Minimum	Renasant Group Maximum
Market Capitalization ($ Million)	$ 493	$ 211	$ 1,515
1-year Stock Price Change	19.0%	(9.5%)	52.9%
1-year Total Return	23.9%	(6.5%)	55.5%
Dividend Yield	3.47%	0.00%	3.94%
Stock Price / Book Value per Share	98.9%	74.7%	261.1%
Stock Price / Tangible Book Value per Share	160.4%	87.2%	267.3%
Stock Price / 2013 EPS (4)	15.7x	12.9x	18.4x
Stock Price / 2014 EPS (4)	13.7x	9.2x	15.5x

(4) Consensus earnings estimates per FactSet Research Systems, Inc., as compiled by SNL Financial, as of 2/5/13

Contribution Analysis. KBW analyzed the relative contribution of each First M&F and Renasant to the pro forma balance sheet of the combined entity, including assets, gross loans, deposits, equity, tangible equity, tangible common equity, LTM net income available to common, market capitalization, and pro forma ownership. This analysis excluded any purchase accounting adjustments and was based on First M&F s and Renasant s closing prices on February 5, 2013 of $8.29 and $19.59, respectively. To perform this analysis, KBW used financial information as of the three month period ended December 31, 2012. The results of KBW s analysis are set forth in the following table:

	Renasant as % of Combined Entity	First M&F as % of Combined Entity
Balance Sheet		
Assets	72.3	27.7
Gross Loans	74.1	25.9
Deposits	71.2	28.8
Equity	80.8	19.2
Tangible Equity	72.9	27.1
Tangible Common Equity	76.3	23.7
Income Statement		
LTM Net Income Available to Common	84.4	15.6
Market Capitalization	86.6	13.4
Pro Forma Diluted Ownership		
100% Common Stock	80.3	19.7

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Recent Transaction Analysis. KBW reviewed publicly available information related to selected acquisitions of Southeast banks and thrifts announced after January 1, 2011, with buyers traded on the New York Stock Exchange, NYSE MKT Equities or NASDAQ and target total assets between $500 million and $3.0 billion. The Southeast, as defined by KBW, includes the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia. The transactions included in the group were:

Acquiror	Acquiree
United Bankshares, Inc.	Virginia Commerce Bancorp, Inc.
Bank of the Ozarks, Inc.	First National Bank of Shelby
Crescent Financial Bancshares, Inc.	ECB Bancorp, Inc.
SCBT Financial Corporation	Savannah Bancorp, Inc.
City Holding Company	Community Financial Corporation
Trustmark Corporation	BancTrust Financial Group, Inc.
Park Sterling Corporation	Citizens South Banking Corporation
WashingtonFirst Bankshares, Inc.	Alliance Bankshares Corporation
SCBT Financial Corporation	Peoples Bancorporation, Inc.
Park Sterling Corporation	Community Capital Corporation
IBERIABANK Corporation	Cameron Bancshares, Inc.
IBERIABANK Corporation	Omni Bancshares, Inc.

Transaction multiples for the merger were derived from an offer price of $12.59 per share for First M&F, based on Renasant s closing price of $19.59 on February 5, 2013 and a fixed exchange ratio of 0.6425. For each transaction referred to above, KBW derived and compared, among other things, the implied ratio of price per common share paid for the acquired company to:

book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

tangible book value per share of the acquired company based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

tangible equity premium to core deposits (total deposits less time deposits greater than $100,000) based on the latest publicly available financial statements of the company available prior to the announcement of the acquisition.

market premium based on the closing price 1-day prior to the announcement of the acquisition.

The results of the analysis are set forth in the following table:

Transaction Price to:	Renasant/First M&F Merger	Recent Transactions Minimum	Recent Transactions Maximum
Book Value	117%	62%	182%
Tangible Book Value	122%	62%	182%
Core Deposit Premium	2.1%	(6.3%)	11.5%
Market Premium (1)	51.8%	14.7%	67.7%

(1) Based on First M&F s stock price of $8.29 on 2/5/2013

No company or transaction used as a comparison in the above analysis is identical to First M&F, Renasant or the merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies.

Financial Impact Analysis. KBW performed pro forma merger analyses that combined projected income statement and balance sheet information of First M&F and Renasant. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of Renasant. In the course of this analysis, KBW used earnings estimates for Renasant for 2013 and 2014 from a nationally recognized earnings estimate consolidator, and for First M&F used earnings estimates pre-close 2013 per First M&F management and post-close 2013 and 2014, per Renasant management. This analysis indicated that the merger is expected to be accretive to Renasant s estimated earnings per share in 2013 and 2014. The analysis also indicated that the merger is expected to be dilutive to book value per share and dilutive to tangible book value per share for Renasant and that Renasant would maintain well capitalized capital ratios. For all of the above analyses, the actual results achieved by Renasant following the merger will vary from the projected results, and the variations may be material.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range of the present values of after-tax cash flows that First M&F could provide to equity holders through 2018 on a stand-alone basis. In performing this analysis, KBW used earnings estimates for 2013 to 2018, from First M&F management, and assumed discount rates ranging from 11.0% to 16.0%. The range of values was determined by adding (1) the present value of projected cash flows to First M&F shareholders from 2013 to 2017 and (2) the present value of the terminal value of First M&F s common stock. In determining cash flows available to shareholders, KBW assumed balance sheet growth per First M&F management and assumed that First M&F would maintain a tangible common equity / tangible asset ratio of 7.00% and would retain sufficient earnings to maintain that level. Any earnings in excess of what would need to be retained represented dividendable cash flows for First M&F. In calculating the terminal value of First M&F, KBW applied multiples ranging from 9.0 times to 14.0 times 2018 forecasted earnings. This resulted in a range of values of First M&F from $6.40 to $11.91 per share. The discounted cash flow present value analysis is a widely used valuation methodology that relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of First M&F.

The First M&F board retained KBW as financial adviser to First M&F regarding the merger. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of its business as a broker-dealer, KBW may, from time to time, purchase securities from, and sell securities to, First M&F and Renasant. As a market maker in securities KBW may from time to time have a long or short position in, and buy or sell, debt or equity securities of First M&F and Renasant for KBW s own account and for the accounts of its customers. To the extent KBW held any such positions, it was disclosed to First M&F.

First M&F and KBW entered into an agreement relating to the services to be provided by KBW in connection with the merger. First M&F paid KBW a cash fee of $300,000 concurrently with the rendering of the fairness opinion related to the merger. In addition, First M&F agreed to pay KBW at the time of closing of the merger a cash fee equal to $1,000,000. Pursuant to the KBW engagement agreement, First M&F also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify against certain liabilities, including liabilities under the federal securities laws. During the past two years, KBW has provided investment banking and financial advisory services to First M&F, but has not received compensation for such services. In addition, during the past two years, KBW has provided investment banking and financial advisory services to Renasant, but has not received compensation for such services. KBW may in the future provide investment banking and financial advisory services to Renasant and receive compensation for such services.

Opinion of Renasant s Financial Advisor

The Renasant board of directors retained Sandler O Neill to provide it with financial advisory services and to render a fairness opinion in connection with the merger. Sandler O Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. As part of its investment banking business, Sandler O Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

At the meeting of the Renasant board of directors on February 6, 2013, Sandler O Neill rendered its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in its written opinion, the merger consideration payable to holders of First M&F common stock pursuant to the merger agreement was fair from a financial point of view to Renasant.

The full text of the written opinion of Sandler O Neill, dated as of February 6, 2013, is attached as Annex C. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Sandler O Neill in rendering its opinion. We encourage you to read the opinion carefully and in its entirety. Sandler O Neill s opinion is directed to Renasant s board of directors and addresses only the fairness from a financial point of view of the merger consideration payable to holders of First M&F common stock pursuant to the merger agreement as of February 6, 2013, the date of the opinion. It does not address any other aspects of the merger or address the prices at which Renasant common stock will trade at any time nor does it constitute a recommendation to any holder of Renasant common stock with respect to the merger or any other matter. The summary of the opinion of Sandler O Neill set forth below is qualified in its entirety by reference to the full text of the opinion.

In connection with rendering its February 6, 2013 opinion, Sandler O Neill reviewed and considered, among other things:

- the merger agreement;
- certain publicly available financial statements and other historical financial information of each of Renasant and First M&F that Sandler O Neill deemed relevant;
- financial projections for Renasant for the years ending December 31, 2013 through December 31, 2017 as determined using publicly available estimated earnings and growth rates and guidance from senior management of Renasant;
- internal financial projections for First M&F for the year ending December 31, 2013 as provided by senior management of First M&F and as adjusted by senior management of Renasant;
- the pro forma financial impact of the merger on Renasant based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of Renasant;
- a comparison of certain financial information and stock trading information for Renasant and First M&F with similar institutions for which publicly available information is available;
- the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;
- the current market environment generally and the banking environment in particular; and
- such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O Neill considered relevant.

In performing its review, Sandler O Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O Neill from public sources, that was provided to Sandler O Neill by Renasant and First M&F or their respective representatives or that was otherwise reviewed by Sandler O Neill and assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O Neill further relied on the assurances of the respective managements of Renasant and First M&F that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O Neill was not asked to, and did not, undertake an independent verification of any of such information and Sandler O Neill did not (and does not now) assume any responsibility or liability for the accuracy or completeness thereof. Sandler O Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Renasant and First M&F or any of their respective subsidiaries.

Sandler O Neill did not render an opinion or evaluation on the collectability of any assets or the future performance of any loans of Renasant and First M&F. Sandler O Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Renasant and First M&F, or the combined entity after the merger, and Sandler O Neill did not review any individual credit files relating to Renasant and First M&F. Sandler O Neill assumed, with Renasant s consent, that the respective allowances for loan losses for both Renasant and First M&F were adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O Neill used publicly available earnings estimates and growth rates based on management guidance for Renasant and internal projections for First M&F as provided by senior management of First M&F and as adjusted by senior management of Renasant. Sandler O Neill also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with the senior management of Renasant. With respect to those projections, guidance, estimates and judgments, the respective managements of Renasant and First M&F confirmed to Sandler O Neill that those projections, guidance, estimates and judgments reflected the best currently available guidance, estimates and judgments of those respective managements of the future financial performance of Renasant and First M&F, respectively, and Sandler O Neill assumed that such performance would be achieved. Sandler O Neill did not express an opinion as to such estimates or the assumptions on which they are based. Sandler O Neill also assumed that there were no material changes in Renasant s and First M&F s assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Sandler O Neill. Sandler O Neill assumed in all respects material to its analysis that Renasant and First M&F will remain as going concerns for all periods relevant to its analyses, that all of the representations and warranties contained in the merger agreement and all related agreements are and will remain true and correct, that each party to the agreements will perform all of the covenants required to be performed by such party under the agreements, that the conditions precedent in the merger agreement will not be not waived and that the merger will qualify as a tax-free reorganization for federal income tax purposes. Finally, with Renasant s consent, Sandler O Neill relied upon the advice Renasant has received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler O Neill s opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O Neill as of, the date of its opinion. Events occurring after the date of the opinion could materially affect the opinion. Sandler O Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of the opinion. Sandler O Neill has acted as Renasant s financial advisor in connection with the merger and will receive a fee for its services, all of which is contingent upon consummation of the merger.

Sandler O Neill s opinion is directed only to the fairness to Renasant, from a financial point of view, of the merger consideration payable to holders of First M&F common stock and does not address the underlying business decision of Renasant to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Renasant or the effect of any other transaction in which Renasant might engage. Sandler O Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director, or employees, or class of such persons, relative to the compensation to be received in the merger by any other shareholder.

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Summary of Proposal. Sandler O Neill reviewed the financial terms of the proposed transaction. Using the fixed exchange ratio of 0.6425 multiplied by the $19.22 Renasant 10-day average closing stock price on February 4, 2013, Sandler O Neill calculated a transaction value of $12.35 per share, or an aggregate transaction value of $118.8 million. Based upon financial information for First M&F as of or for the year ended December 31, 2013, Sandler O Neill calculated the following transaction ratios:

Transaction Multiples

Price/Book Value Per Share	114%
Price/Tangible Book Value Per Share	119%
Price/Last Twelve Months Earnings Per Share	23.1x
Price/2013 Estimated Earnings Per Share (1)	15.8x
Tangible Book Premium/Core Deposits Per Share (2)	1.5%
Market Premium (3)	50%

(1) Based on analyst estimate
(2) Core deposits (defined as total deposits less time deposits > $100,000) of $1.22 billion.
(3) Based upon the closing price of First M&F s common stock on February 4, 2013 of $8.24.

Comparable Company Analysis. Sandler O Neill used publicly available information to perform a comparison of selected financial and market trading information for First M&F and Renasant.

Sandler O Neill also used publicly available information to compare selected financial and market trading information for First M&F and a group of financial institutions selected by Sandler O Neill. The First M&F peer group consisted of the following selected publicly-traded bank holding companies headquartered in the Southeast with total assets between $1.0 billion and $3.0 billion and a ratio of non-performing assets to total assets less than 5%:

1st United Bancorp, Inc.	MidSouth Bancorp, Inc.
American National Bankshares Inc.	Monarch Financial Holdings, Inc.
CenterState Banks, Inc.	National Bankshares, Inc.
City Holding Company	NewBridge Bancorp
Community Bankers Trust Corporation	Park Sterling Corporation
Crescent Financial Bancshares, Inc.	Peoples Bancorp of North Carolina, Inc.
Eastern Virginia Bankshares, Inc.	Seacoast Banking Corporation of Florida
Fidelity Southern Corporation	State Bank Financial Corporation
First Community Bancshares, Inc.	Virginia Commerce Bancorp, Inc.
Middleburg Financial Corporation	Yadkin Valley Financial Corporation

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The analysis compared publicly available financial information for First M&F and the median financial and market trading data for the First M&F peer group as of and for the twelve months ended December 31, 2012. The table below sets forth the data for First M&F and the median data for the First M&F peer group as of and for the twelve months ended December 31, 2012, with pricing data as of February 4, 2013.

Comparable Group Analysis

	First M&F Corporation	Comparable Group Median Result
Total Assets (in millions)	$ 1,602	$ 1,627
Gross Loans/Deposits	69.5%	78.0%
Tangible Common Equity/Tangible Assets	5.97%	8.70%
Tier I Leverage Ratio	8.91%	10.15%
Total Risk Based Capital Ratio	13.30%	16.50%
Return on Average Assets	0.44%	0.61%
Return on Average Equity	6.12%	5.22%
Net Interest Margin	3.67%	4.10%
Efficiency Ratio	68.0%	72.7%
Loan Loss Reserve/Gross Loans	1.76%	1.69%
Nonperforming Assets/Total Assets	2.15%	1.53%
Net Charge-Offs/Average Loans	0.59%	0.58%
Price/Tangible Book Value	79.7%	119.6%
Price/Last Twelve Months (LTM) Earnings Per Share (EPS)	15.3x	14.5x
Price/2013 Est. EPS	10.6x	14.6x
Market Capitalization (in millions)	$ 76	$ 172

Sandler O Neill also used publicly available information to compare selected financial and market trading information for Renasant and a group of financial institutions selected by Sandler O Neill. The Renasant peer group consisted of the following selected publicly-traded bank holding companies headquartered in the Southeast with total assets greater than $3.0 billion and less than $10.0 billion:

BancorpSouth, Inc.	SCBT Financial Corporation
Bank of the Ozarks, Inc.	Simmons First National Corporation
Capital Bank Financial Corporation	TowneBank
Cardinal Financial Corporation	Trustmark Corporation
First Bancorp	Union First Market Bankshares Corporation
First Financial Holdings, Inc.	United Bankshares, Inc.
Hancock Holding Company	United Community Banks, Inc.
Home BancShares, Inc.	WesBanco, Inc.
Pinnacle Financial Partners, Inc.	

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The analysis compared publicly available financial information for Renasant and the median financial and market trading data for the Renasant peer group as of and for the twelve months ended December 31, 2012. The table below sets forth the data for Renasant and the median data for the Renasant peer group as of and for the twelve months ended December 31, 2012, with pricing data as of February 4, 2013.

Comparable Group Analysis

	Renasant Corporation	Comparable Group Median Result
Total Assets (in millions)	$ 4,183	$ 4,406
Gross Loans/Deposits	81.2%	84.2%
Tangible Common Equity/Tangible Assets	7.70%	8.97%
Tier I Leverage Ratio	9.86%	10.54%
Total Risk Based Capital Ratio	14.13%	15.80%
Return on Average Assets	0.64%	0.88%
Return on Average Equity	5.38%	7.26%
Net Interest Margin	3.94%	4.09%
Efficiency Ratio	72.3%	60.7%
Loan Loss Reserve/Gross Loans	1.56%	1.42%
Nonperforming Assets/Total Assets	1.79%	1.61%
Net Charge-Offs/Average Loans	0.75%	0.40%
Price/Tangible Book Value	159.4%	160.4%
Price/LTM EPS	18.4x	15.1x
Price/2013 Est. EPS	15.6x	14.2x
Market Capitalization (in millions)	$ 490	$ 672

Stock Trading History. Sandler O Neill reviewed the history of the publicly reported trading prices of First M&F s common stock for the one-year period ended February 4, 2013. Sandler O Neill also reviewed the relationship between the movements in the price of First M&F common stock and the movements in the prices of the NASDAQ Bank Index and a market-capitalization weighted index of First M&F s comparable company peer group.

First M&F One-Year Common Stock Performance

	Beginning Index Value February 4, 2012	Ending Index Value February 4, 20
First M&F		

In the event Silimed fails to supply products ordered by us, we may, under certain circumstances, exercise manufacturing rights to manufacture the products directly or through a third party manufacturer. Pursuant to the Silimed Agreement, Silimed granted to us an exclusive, royalty-free, non-transferable license to use certain of its trademarks in the Territory, including in the event Silimed fails to supply the products to us and in connection with the marketing and sale of the products in the Territory. In addition, the Silimed Agreement allocates intellectual property rights between the parties, including that the parties will jointly own all developments, modifications, enhancements or alterations of products jointly created by the parties, subject to certain restrictions concerning the use of such improvements outside of the Territory. Each party is subject to certain limitations and other restrictions on the transfer of the other party's technology to third parties.

The Silimed Agreement can be terminated by either party under certain limited circumstances, including in connection with the other party's breach of any of its material obligations which such breaching party fails to cure within 60 days of receiving notice from the non-breaching party. If the breach relates only to single product, then the non-breaching party is entitled to terminate the agreement with respect to that specific product. The parties may also terminate the agreement at any time on a product-by-product basis upon mutual written agreement of the parties.

The term of the Silimed Agreement will continue until April 2017.

Competition

The medical device industry is intensely competitive, subject to rapid change and highly sensitive to the introduction of new products or other market activities of industry participants. We primarily compete

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with two companies that manufacture and sell breast implants in the United States: Johnson & Johnson through its wholly owned subsidiary, Mentor, and Allergan.

Both of our U.S. competitors are either publicly-traded companies or divisions or subsidiaries of publicly-traded companies with significantly more market share and resources than we have. These companies have greater financial resources for sales, marketing and product development, broader established relationships with healthcare providers and third-party payors, and larger and more established distribution networks. In some instances, our competitors also offer products that include features that we do not currently offer. For example, Allergan sells temporary gel sizers for silicone gel implants and we sell only temporary saline filled sizers. In addition, our competitors may offer pricing programs with discounts across their non-breast aesthetic product portfolios.

We also face potential future competition from a number of companies, medical researchers and existing medical device companies that may be pursuing new implant technologies, new material technologies and new methods of enhancing and reconstructing the breast.

We believe the primary competitive factors in our markets include:

- breadth of portfolio;
- technological characteristics of products;
- clinical evidence;
- product price;
- customer service; and
- support by key opinion leaders.

Government Regulation

Our products are medical devices subject to extensive regulation by the FDA and other federal and state regulatory authorities, Health Canada and, if we commence international sales outside of the United States and Canada, other regulatory bodies in other countries. We currently market our tissue expanders and facial implants in Canada, and are awaiting Health Canada's approval to market our breast implant products in Canada. Although we do not anticipate any additional nonclinical or clinical study requirements, we may be delayed in obtaining approval to sell our breast implants in Canada if we need to respond to requests for information from Health Canada during the review process, which remains ongoing.

Regulation by the FDA. The Federal Food, Drug and Cosmetic Act, or FDCA, and the FDA's implementing regulations govern, among other things:

- product design and development;
- pre-clinical and clinical testing;
- establishment registration and product listing with the FDA;
- product manufacturing;

- product labeling and storage;
- pre-market clearance or approval;
- post-market studies;

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- advertising and promotion;
- product sales and distribution;
- recordkeeping and device tracking;
- complaint handling;
- recalls and field safety corrective actions; and
- post-market surveillance and adverse event reporting, including reporting of deaths, serious injuries or device malfunctions.

Unless an exemption applies, each new or significantly modified medical device we seek to commercially distribute in the United States will require either a pre-market notification to the FDA requesting permission for commercial distribution under Section 510(k) of the FDCA, also referred to as a 510(k) clearance, or approval from the FDA of a pre-market approval, or PMA, application. Both the 510(k) clearance and PMA processes can be expensive, lengthy and require payment of significant user fees, unless an exemption is available.

The FDA classifies medical devices into one of three classes. Devices deemed to pose low to moderate risk are placed in Class I or II, which, absent an exemption, requires the manufacturer to obtain a 510(k) clearance. Class I devices are subject to general controls such as labeling, pre-market notification and adherence to the FDA's Quality System Regulation, or QSR, which cover manufacturers' methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage and shipping of products. Class II devices are subject to special controls such as performance standards, post-market surveillance, FDA guidelines, or particularized labeling requirements, as well as general controls. Some low risk devices are exempted by regulation from the 510(k) clearance requirement, and the requirement of compliance with substantially all of the QSR. A PMA application is required for devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or certain implantable devices, including all breast implants, or devices that are "not substantially equivalent" either to a device previously cleared through the 510(k) process or to a "preamendment" Class III device in commercial distribution in the United states before May 28, 1976 for which a regulation requiring a PMA application has not been issued by the FDA.

Our tissue expanders and our body contouring, facial and nasal implants received FDA clearance as Class II devices at various dates prior to approval of our breast implants in March 2012. To obtain 510(k) clearance, we must submit a pre-market notification demonstrating that the proposed device is substantially equivalent to a previously cleared 510(k) device or a preamendment device. The FDA's 510(k) clearance pathway usually takes from three to 12 months from the date the application is completed, but it can take significantly longer and clearance is never assured. Although many 510(k) pre-market notifications are cleared without clinical data, in some cases, the FDA requires significant clinical data to support substantial equivalence. In reviewing a pre-market notification, the FDA may request additional information, including clinical data, which may significantly prolong the review process. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a new or major change in its intended use, will require a new 510(k) clearance or, depending on the modification, could require a PMA application. The FDA requires each manufacturer to make this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination regarding whether a new pre-market submission is required for the modification of an existing device, the FDA can require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or approval of a PMA application is obtained. If the

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FDA requires us to seek 510(k) clearance or approval of a PMA application for any modifications to a previously cleared product, we may be required to cease marketing or recall the modified device until we obtain this clearance or approval. In addition, in these circumstances, we may be subject to significant regulatory fines or penalties for failure to submit the requisite PMA application(s). In addition, the FDA is currently evaluating the 510(k) process and may make substantial changes to industry requirements.

Silicone gel-filled breast implants are treated as Class III devices and a full PMA is required. A PMA for our breast implants was approved by the FDA in March 2012. The PMA application process is generally more costly and time consuming than the 510(k) process and requires proof of the safety and effectiveness of the device to the FDA's satisfaction. Accordingly, a PMA application must be supported by valid scientific evidence that typically includes, but is not limited to, extensive technical information regarding device design and development, pre-clinical and clinical trial data, and manufacturing and labeling information to demonstrate to the FDA's satisfaction the safety and effectiveness of the device for its intended use. After a PMA application is submitted and found to be sufficiently complete, the FDA begins an in-depth review of the submitted information. By statute, the FDA has 180 days to review the "accepted application," although, generally, review of the application takes between one and three years, but may take significantly longer. During this review period, the FDA may request additional information or clarification of information already provided. Also during the review period, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. In addition, the FDA generally will conduct a pre-approval inspection of the manufacturing facility to evaluate compliance with QSR, which requires manufacturers to implement and follow elaborate design, testing, control, documentation and other quality assurance procedures in the device design and manufacturing process.

The FDA may approve a PMA application with post-approval conditions intended to ensure the safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution and collection of long-term follow-up data from patients in the clinical study that supported approval. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including the loss or withdrawal of the approval. New PMA applications or PMA application supplements are required for significant modifications to the manufacturing process, labeling and design of a device that is approved through the PMA modifications that affect the safety or effectiveness of the device, including, for example, certain types of modifications to the device's indication for use, manufacturing process, labeling and design. PMA supplements often require submission of the same type of information as a PMA application, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA application, and may not require as extensive clinical data or the convening of an advisory panel, depending on the nature of the proposed change.

Clinical Trials. A clinical trial is almost always required to support a PMA application and may be required for a 510(k) pre-market notification. In the United States, absent certain limited exceptions, human clinical trials intended to support product clearance or approval require an Investigational Device Exemption, or IDE, application. Some types of studies deemed to present "non-significant risk" are deemed to have an approved IDE once certain requirements are addressed and IRB approval is obtained. If the device presents a "significant risk" to human health, as defined by the FDA, the Sponsor must submit an IDE application to the FDA and obtain IDE approval prior to commencing the human clinical trials. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to evaluate the device in humans and that the testing protocol is scientifically sound. The IDE application must be approved in advance by the FDA for a specified number of subjects, unless the product is deemed a non-significant risk device and

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eligible for more abbreviated IDE requirements. Clinical trials for a significant risk device may begin once the IDE application is approved by the FDA and the responsible institutional review boards at the clinical trial sites. There can be no assurance that submission of an IDE will result in the ability to commence clinical trials. Additionally, after a trial begins, the FDA may place it on hold or terminate it if, among other reasons, it concludes that the clinical subjects are exposed to unacceptable health risks that outweigh the benefits of participation in the study. During a study, we are required to comply with the FDA's IDE requirements for investigator selection, trial monitoring, reporting, record keeping and prohibitions on the promotion of investigational devices or making safety or efficacy claims for them. We are also responsible for the appropriate labeling and distribution of investigational devices. Our clinical trials must be conducted in accordance with FDA regulations and federal and state regulations concerning human subject protection, including informed consent and healthcare privacy. The investigators must also obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of investigational devices and comply with all reporting and recordkeeping requirements. The FDA's grant of permission to proceed with clinical testing does not constitute a binding commitment that the FDA will consider the study design adequate to support clearance or approval. In addition, there can be no assurance that the data generated during a clinical study will meet chosen safety and effectiveness endpoints or otherwise produce results that will lead the FDA to grant marketing clearance or approval.

Other Regulatory Requirements. Even though our breast implants have been approved and commercialized, numerous regulatory requirements apply after a device is placed on the market, regardless of its classification or pre-market pathway. These include, but are not limited to:

- establishment registration and device listing with the FDA;
- QSR, which requires manufacturers, including third party manufacturers, to follow stringent design, testing, production, control, supplier and contractor selection, complaint handling, documentation and other quality assurance procedures during all aspects of the manufacturing process;
- labeling regulations that prohibit the promotion of products for uncleared or unapproved, or "off-label," uses, and impose other restrictions on labeling, advertising and promotion;
- medical Device Reporting, or MDR, regulations, which require that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur; and
- corrections and removals reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health. In addition, the FDA may order a mandatory recall if there is a reasonable probability that the device would cause serious adverse health consequences or death.

Also, the FDA requires us to conduct post-market surveillance studies and to maintain a system for tracking our products through the chain of distribution to the patient level. The FDA and the Food and Drug Branch of the California Department of Health Services enforce regulatory requirements by conducting periodic, unannounced inspections and market surveillance. Inspections may include the manufacturing facilities of our subcontractors.

Failure by us or our manufacturer to comply with applicable regulatory requirements can result in enforcement actions by the FDA and other regulatory agencies. These may include, but may not be limited to, any of the following sanctions or consequences:

- warning letters or untitled letters that require corrective action;
- fines and civil penalties;
- unanticipated expenditures;
- delays in or refusal to grant requests for 510(k) clearance or pre-market approval of new products or modified products;
- FDA refusal to issue certificates to foreign governments needed to export products for sale in other countries;
- suspension or withdrawal of FDA clearance or approval;
- product recall, detention or seizure;
- operating restrictions, partial suspension or total shutdown of production;
- injunctions and consent decrees; and
- criminal prosecution.

We and our contract manufacturers and some suppliers of components or device accessories also are required to manufacture our products in compliance with cGMP requirements set forth in the QSR. The QSR requires a quality system for the design, manufacture, packaging, labeling, storage, installation and servicing of marketed devices, and it includes extensive requirements with respect to quality management and organization, device design, buildings, equipment, purchase and handling of components or services, production and process controls, packaging and labeling controls, device evaluation, distribution, installation, complaint handling, servicing, and record keeping. The FDA evaluates compliance with the QSR through periodic, unannounced inspections that may include the manufacturing facilities of our subcontractors. If the FDA believes that we or any of our contract manufacturers or regulated suppliers are not in compliance with these requirements, it can shut down our manufacturing operations, require recall of our products, refuse to approve new marketing applications, institute legal proceedings to detain or seize products, enjoin future violations or assess civil and criminal penalties against us or our officers or other employees.

Healthcare Regulatory Laws. Our business activities, including but not limited to, research, sales, marketing, promotion, distribution, medical education and other activities are subject to regulation under additional laws by numerous regulatory and enforcement authorities in the United States, in addition to the FDA. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, physician sunshine and privacy and security laws and regulations, including but not limited to those described below.

Additionally, our relationships with healthcare providers and other third parties are subject to scrutiny under these laws. Non-compliance with the laws described below may result in the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement, individual imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Defending against any actions for non-compliance of such laws can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are

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successful in defending against any such actions that may be brought against us, our business may be impaired.

Federal Anti-Kickback Laws. The federal Anti-Kickback Statute prohibits, among other things, knowingly or willfully soliciting, receiving, offering, or paying remuneration, directly or indirectly, to induce, or in return for, either the referral of an individual or the purchase, or recommendation, order or furnishing of an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs. The definition of "remuneration" has been broadly interpreted to include anything of value, including such items as improper payments, gifts, discounts, the furnishing of supplies or equipment, credit arrangements, waiver of payments and providing anything at less than its fair market value. There are a number of statutory exceptions and regulatory safe harbors protecting certain common activities from prosecution. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances.

The penalties for violating the federal Anti-Kickback Statute include imprisonment for up to five years, fines of up to $25,000 per violation and possible exclusion from federal healthcare programs such as Medicare and Medicaid. Further, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA.

We have entered into consulting, speaker and other financial arrangements with physicians, including some who prescribe or recommend our products to patients. We engage such physicians as consultants, advisors and to educate other physicians. Noncompliance with the federal Anti-Kickback Statute could result in significant administrative, civil and/or criminal penalties and fines, including our debarment or exclusion from Medicare, Medicaid or other governmental programs and restrictions on our ability to operate in certain jurisdictions.

Federal Civil False Claims Act. The FCA, prohibits any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim to the federal government. The FCA has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed, or for services that are not medically necessary. Manufacturers can be held liable under the FCA if they are deemed to "cause" the submission of false or fraudulent claims by, for example, providing inaccurate billing or coding information to customers or promoting a product off-label. Penalties for FCA violations include three times the actual damages sustained by the government, plus mandatory civil penalties of between $5,500 and $11,000 for each separate false claim, the potential for exclusion from participation in federal healthcare programs, and, although the federal FCA is a civil statute, FCA violations may also implicate various federal criminal statutes.

In addition to actions initiated by the government itself, the statute authorizes actions to be brought on behalf of the federal government by a private party having knowledge of the alleged fraud, known as "qui tam" whistleblower lawsuits. Because the complaint is initially filed under seal, the action may be pending for some time before the defendant is even aware of the action. If the government intervenes and is ultimately successful in obtaining redress in the matter, or if the plaintiff succeeds in obtaining redress without the government's involvement, then the plaintiff will receive a percentage of the recovery. Qui tam actions have increased significantly in recent years, causing greater numbers of healthcare companies to have to defend a false claim action, pay fines or be excluded from Medicare,

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Medicaid or other federal or state healthcare programs as a result of an investigation arising out of such action.

Federal Criminal False Claims Law. The federal criminal false claims laws prohibit, among other things, knowingly and willfully making, or causing to be made, a false statement or representation of a material fact for use in determining the right to any benefit or payment under a federal health care program. A violation of this statute may constitute a felony or misdemeanor and may result in fines or imprisonment.

Civil Monetary Penalties Law. The Federal Civil Monetary Penalties Law prohibits, among other things, the offering or transferring of remuneration to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular supplier of Medicare or Medicaid payable items or services. Noncompliance can result in civil money penalties of up to $10,000 for each wrongful act, assessment of three times the amount claimed for each item or service and exclusion from the federal healthcare programs.

Health Insurance Portability and Accountability Act of 1996. The Health Insurance Portability and Accountability Act of 1996, or HIPAA, created two new federal crimes: healthcare fraud and false statements relating to healthcare matters. The healthcare fraud statute prohibits knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment or exclusion from governmental programs. The false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. A violation of this statute is a felony and may result in fines or imprisonment.

HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations, including the final omnibus rule published on January 25, 2013, mandates, among other things, the adoption of uniform standards for the electronic exchange of information in common healthcare transactions, as well as standards relating to the privacy and security of individually identifiable health information, which require the adoption of administrative, physical and technical safeguards to protect such information. Among other things, HITECH makes certain of HIPAA's standards and requirements directly applicable to "business associates" independent contractors or agents of covered entities that create, receive or obtain protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities and business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, certain state laws govern the privacy and security of health information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties.

Physician Payments Sunshine Act. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, PPACA, imposed, among other things, new annual reporting requirements for device manufacturers for certain payments and "transfers of value" provided to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately, and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties of up to an aggregate of $150,000 per

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year and up to an aggregate of $1 million per year for "knowing failures." Device manufacturers were required to begin collecting data on August 1, 2013 and submit reports on aggregate payment data to the government for the first reporting period (August 1, 2013 December 31, 2013) by March 31, 2014, and were required to report detailed payment data for the first reporting period and submit legal attestation to the completeness and accuracy of such data by June 30, 2014. Thereafter, device manufacturers must submit reports by the 90th day of each subsequent calendar year. CMS will release the data on a public website by September 30, 2014.

In addition, there has been a recent trend of increased federal and state regulation of payments and other transfers of value provided to healthcare professionals and entities. Similar to the federal law, certain states also have adopted marketing and/or transparency laws relevant to device manufacturers, some of which are broader in scope. Certain states, such as California and Connecticut, mandate that device manufacturers implement compliance programs. Other states, such as Massachusetts and Vermont, impose restrictions on device manufacturer marketing practices and require tracking and reporting of gifts, compensation, and other remuneration to healthcare professionals and entities. The need to build and maintain a robust compliance program with different compliance and/or reporting requirements increases the possibility that a healthcare company may violate one or more of the requirements, resulting in fines and penalties

Additional State Healthcare Laws. Many states have also adopted some form of each of the aforementioned laws, some of which may be broader in scope and may apply regardless of payor. Nevertheless, a determination of liability under such laws could result in fines and penalties and restrictions on our ability to operate in these jurisdictions.

Additionally, as some of these laws are still evolving, we lack definitive guidance as to the application of certain key aspects of these laws as they relate to our arrangements with providers with respect to patient training. We cannot predict the final form that these regulations will take or the effect that the final regulations will have on us. As a result, our provider and training arrangements may ultimately be found to be not in compliance with applicable laws.

United States Foreign Corrupt Practices Act. The United States Foreign Corrupt Practices Act, or FCPA, prohibits United States corporations and their representatives from offering, promising, authorizing or making corrupt payments, gifts or transfers to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business abroad. The scope of the FCPA would include interactions with certain healthcare professionals in many countries.

International Regulation. We may evaluate international expansion opportunities in the future. International sales of medical devices are subject to local government regulations, which may vary substantially from country to country. The time required to obtain approval in another country may be longer or shorter than that required for FDA approval, and the requirements may differ. There is a trend towards harmonization of quality system standards among the European Union, United States, Canada and various other industrialized countries.

The primary regulatory body in Europe is that of the European Union, which includes most of the major countries in Europe. Other countries, such as Switzerland, have voluntarily adopted laws and regulations that mirror those of the European Union with respect to medical devices. The European Union has adopted numerous directives and standards regulating the design, manufacture, clinical trials, labeling and adverse event reporting for medical devices. Devices that comply with the requirements of a relevant directive will be entitled to bear the CE conformity marking, indicating that the device conforms to the essential requirements of the applicable directives and, accordingly, can be

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commercially distributed throughout Europe. The method of assessing conformity varies depending on the class of the product, but normally involves a combination of self-assessment by the manufacturer and a third party assessment by a "Notified Body." This third-party assessment may consist of an audit of the manufacturer's quality system and specific testing of the manufacturer's product. An assessment by a Notified Body of one country within the European Union is required in order for a manufacturer to commercially distribute the product throughout the European Union. Additional local requirements may apply on a country-by-country basis. Outside of the European Union, regulatory approval would need to be sought on a country-by-country basis in order for us to market our products.

Coverage and Reimbursement; Healthcare Reform. Sales of our products depend, in part, on the extent to which the procedures using our products will be covered by third-party payors, such as government health care programs, commercial insurance and managed healthcare organizations. Breast augmentation procedures are generally performed on a cash-pay basis and are not covered by third-party payors. In contrast, breast reconstruction procedures may be covered by third-party payors, but such third-party payors are increasingly limiting coverage and reducing reimbursements for medical products and services. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net sales and results.

By way of example, in the United States, the recent implementation of PPACA is an example that has the potential to substantially change healthcare financing and delivery by both governmental and private insurers, and significantly impact the pharmaceutical and medical device industries. The PPACA imposed, among other things, a new federal excise tax of 2.3% on certain entities that manufacture or import medical devices for sale in the United States, established an annual and implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models.

In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. On August 2, 2011, President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This includes reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013, and will stay in effect through 2024 unless Congressional action is taken. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers, including hospitals.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressure.

Intellectual Property

Our intellectual property portfolio consists primarily of trademarks and trade secrets and does not presently consist of any patents or patent applications. We do not currently intend to file any patent applications in the United States or elsewhere.

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Our trademark portfolio consists of five registered U.S. trademarks and six pending Canadian trademark applications. We maintain a program to protect our marks and will institute legal action where necessary to prevent others from using and registering confusingly similar marks.

In addition, to protect our trade secrets and other intellectual property rights, we have entered into confidentiality agreements with third parties, and confidential information and invention assignment agreements with employees, consultants and advisors. However, there can be no assurance that these measures will be successful in any given case and third parties may still obtain this information or we may be unable to protect our rights.

Employees

As of June 30, 2014, we had 94 full-time employees. None of our employees are represented by a collective bargaining agreement, and we have never experienced any work stoppage. We believe we have good relations with our employees.

Facilities

Our headquarters located in Santa Barbara, California is approximately 20,000 square feet. The term of the lease for our headquarters expires in February 2020. We also lease warehouse space located in Santa Barbara, California, which is approximately 10,000 square feet. The term of the lease for our warehouse expires in January 2016.

Legal Proceedings

From time to time, we may be involved in various disputes and litigation matters that arise in the ordinary course of business. We are currently not a party to any material legal proceedings.

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MANAGEMENT

Executive Officers and Directors

The following table sets forth information concerning our executive officers and directors as of July 31, 2014:

Name	Age	Position(s)
Executive Officers		
Hani Zeini	49	Director, Founder, President and Chief Executive Officer
Matthew Pigeon	46	Chief Financial Officer and Treasurer
Charles Huiner	43	Chief Strategy and Corporate Development Officer
Joel Smith	44	General Counsel, Secretary and Chief Compliance Officer
Non-Employee Directors		
Nicholas Simon(1)	60	Chairman of the Board of Directors
Rishi Gupta(2)	37	Director
Timothy Haines(3)	56	Director
R. Scott Greer(1)(2)	55	Director
Kevin O'Boyle(2)(3)	58	Director
Jeffrey Nugent(1)(3)	67	Director

(1) Member of the compensation committee.

(2) Member of the nominating and corporate governance committee.

(3) Member of the audit committee.

Executive Officers

Hani Zeini is our founder. He has been a director and our President and Chief Executive Officer since 2006. He previously served as Executive Vice President of Inamed Aesthetics from 2001 to 2006, as Chief Operating Officer at Acurian, Inc. in 2001 and as President and Chief Executive Officer at Pharmasmarket.com from 2000 to 2001. Prior to that, Mr. Zeini spent 12 years at Dupont Pharmaceuticals Company in various roles, including as Senior Vice President of Global Health Systems. Mr. Zeini holds a B.S. in electrical and computer engineering from the University of Miami and completed the Stanford Executive Program at Stanford University, Graduate School of Business. Mr. Zeini serves as a trustee on the Laguna Blanca School Board of Trustees. He also serves on the Advisory Board for the Image Reborn Foundation. We believe Mr. Zeini brings valuable expertise and perspective to our board in his capacity as the President and Chief Executive Officer of the Company, and his extensive experience and thorough knowledge of our industry qualifies him to serve as one of our directors.

Matthew Pigeon has served as our Chief Financial Officer and Treasurer since 2010. Prior to joining the Company, Mr. Pigeon served as an independent consultant in 2009 and Chief Financial Officer and Chief Strategy Officer for The FRS Company from 2006 to 2008. Before The FRS Company, Mr. Pigeon was a Principal at Banc of America Securities/Montgomery Securities and served in both the equity capital markets and investment banking groups from 1998 to 2004. Mr. Pigeon received his B.A. from the University of California at Santa Barbara and his M.B.A. from the University of Southern California. Mr. Pigeon currently serves on the board of directors for the non-profit Elings Park, Santa Barbara.

Charles Huiner has served as our Chief Strategy and Corporate Development Officer since February 2014. Prior to joining the Company, Mr. Huiner served as the Vice President of Business Development and Marketing for InTouch Health from 2007 to 2014. Before InTouch Health, Mr. Huiner held

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various positions in the medical aesthetics industry, including as Senior Director of Corporate Development and Strategy for Inamed Corporation from 2003 to 2006 and Vice President of Corporate Development for Isolagen, Inc. from 2006 to 2007. Mr. Huiner developed extensive transactional and strategy experience serving in corporate finance and M&A capacities at Security Capital Group (now GE Capital), Prologis Trust and NatWest Bancorp. Mr. Huiner holds a B.A. in history and American studies from Williams College and earned his M.B.A. in marketing and finance from Northwestern University's Kellogg School.

Joel Smith joined the Company in June 2007 and currently serves as our General Counsel, Secretary and Chief Compliance Officer. In addition to those roles, he was our Treasurer and interim Chief Financial Officer from 2007 to 2009 and served as our Vice President of Corporate Development from 2007 to 2013. Prior to joining the Company, Mr. Smith served as the Vice President of Tavistock Life Sciences from 2004 to 2007 where he had broad responsibilities across a portfolio of privately held drug discovery and medical-device development companies. Mr. Smith had senior business development roles at Triad Therapeutics where he worked from 2001 to 2004 and at BioQ where he was the General Counsel from 2000 and 2001. Mr. Smith's experience in private and public equity financing transactions began as an associate at Brobeck, Phleger and Harrison in its business and technology group from 1997 to 2000. Mr. Smith holds a B.S. in economics and cellular and molecular biology from the University of Michigan and earned his M.B.A. from the University of Michigan Business School and his J.D. from the University of Michigan Law School.

Non-Employee Directors

Nicholas Simon has served as Chairman of the board since March 2012. Mr. Simon has been a Managing Director of Clarus Ventures, LLC, a venture capital firm focused on life sciences companies, since the firm's inception in 2005. Mr. Simon has been a General Partner of MPM BioVentures III, a healthcare venture capital fund, since 2001. From 2000 to 2001, Mr. Simon was Chief Executive Officer and Founder of Collabra Pharma, Inc., a pharmaceutical company. Prior to that, Mr. Simon served in various management positions at Genentech, Inc., including as Vice President of Business and Corporate Development. Mr. Simon has served on the board of directors of Achillion Pharmaceuticals, Inc. and Avanir Pharmaceuticals, Inc. and numerous private companies. He is also on the foundation board of the Gladstone Institute, a private not-for-profit research institute affiliated with the University of California, San Francisco. Mr. Simon received a B.S. in microbiology from the University of Maryland and earned his M.B.A. in marketing from Loyola University. We believe Mr. Simon's experience as a director advising several companies, as well as his significant financial and investment experience qualifies him to serve as one of our directors.

Rishi Gupta has served as a director of the Company since April 2008. Mr. Gupta is a Private Equity Partner at OrbiMed Advisors LLC, a healthcare asset management company. He has been employed by OrbiMed since 2004. From 1999 to 2000, Mr. Gupta served as a corporate finance analyst in healthcare investment banking at Raymond James & Associates. From 2000 to 2001, he served as Manager of Corporate Development at Veritas Medicine. Mr. Gupta has served as a director of ChemoCentryx and numerous private companies. Mr. Gupta received his A.B. in biochemical sciences from Harvard College and holds a J.D. from the Yale Law School. We believe Mr. Gupta is qualified to serve as one of our directors because of his extensive experience in venture capital and financial services and investing in life sciences companies and his service as a board member on many healthcare company boards.

Timothy Haines has served as a director of the Company since October 2013. Mr. Haines has been a partner at Abingworth, a life science and healthcare private investment firm, since 2005. Prior to that, Mr. Haines was chief executive of Astex Therapeutics Limited. Mr. Haines was with Astex

Therapeutics Limited for more than five years and was a director of the company at it sale to Otsuka in October 2013. Previously, he was chief executive of two divisions of the publicly listed medical technology company, Datascope Corp. Prior to Datascope, he held a number of senior management positions in the United States and Europe. Mr. Haines currently serves as a director of Lombard Medical Technologies Inc. and Pixium Vision. He has served as a director of Astex Pharmaceuticals and Xcounter AB and numerous private companies. He is a former director of the Biotechnology Industry Association and currently sits on the Venture Committee of the British Venture Capital Association. Mr. Haines has a B.Sc. from Exeter University and an M.B.A. from INSEAD. We believe Mr. Haines' valuable experience gained from the executive positions he held at biotechnology and healthcare companies, as well as his experience as a director advising several companies, qualifies him to serve as one of our directors.

R. Scott Greer has served as a director of the Company since July 2014. Mr. Greer founded Numenor Ventures, LLC, a venture capital firm focused on life sciences companies, and has served as its Managing Director since June 2002. Prior to that, in 1996, Mr. Greer co-founded Abgenix, Inc., a company that specialized in the discovery, development and manufacture of human therapeutic antibodies, and from June 1996 through May 2002, he served as its Chief Executive Officer. He also served as a director of Abgenix from 1996 and chairman of the board from 2000 until the acquisition of Abgenix by Amgen, Inc. in April 2006. Prior to Abgenix's formation, Mr. Greer held senior management positions at Cell Genesys, Inc., a biotechnology company, initially as Chief Financial Officer and Vice President of Corporate Development and later as Senior Vice President of Corporate Development. Mr. Greer currently serves as the chairman of the board of Ablexis LLC and is a director of Auspex, Inc., StemCells, Inc. and Nektar Therapeutics. He previously served as chairman of the board of Sirna Therapeutics and as a director of Illumina, Inc., CV Therapeutics, Inc. and Affymax, Inc. He has also previously served on the board of numerous private companies. Mr. Greer received his B.A. in economics from Whitman College, earned his M.B.A. in business administration from Harvard University and was a certified public accountant. We believe Mr. Greer's significant financial, business and management expertise, coupled with his extensive experience as a director of multiple life science companies, qualifies him to serve as one of our directors.

Kevin O'Boyle has served as a director of the Company since July 2014. From December 2010 to July 2011, Mr. O'Boyle served as Senior Vice President and Chief Financial Officer at Advanced BioHealing, Inc. until it was acquired by Shire Plc. From early 2003 to September 2009, Mr. O'Boyle served as Chief Financial Officer of NuVasive, Inc. Mr. O'Boyle currently serves as a director of GenMark Diagnostics, Inc., Durata Therapeutics, Inc., Tornier N.V. and Zeltiq Aesthetics, Inc. Mr. O'Boyle received a B.S. in accounting from Rochester Institute of Technology and completed the Executive Management Program at the University of California at Los Angeles, John E. Anderson Graduate Business School. We believe Mr. O'Boyle is qualified to serve as one of our directors based on his financial and accounting expertise and his significant experience and familiarity with companies in the medical device and aesthetics industries.

Jeffrey Nugent has served as a director of the Company since July 2014. Mr. Nugent has been the Interim Chief Executive Officer of Biolase, Inc. since June 2014. Prior to that, Mr. Nugent was Founder, President and Chief Executive Officer of Precision Dermatology, Inc., a multi-channel skin care company that was acquired by Valeant Pharmaceuticals in February 2014. From 1999 to 2002, he served as the President and Chief Executive Officer of Revlon, Inc. and as Worldwide President and Chief Executive Officer of Neutrogena Corporation from 1995 to 1999. Mr. Nugent currently serves as a director of Biolase, Inc. and has previously served as a director of Precision Dermatology, Inc., Myoscience, Inc. and Merz Aesthetics, Inc. Mr. Nugent holds a B.S. in mathematics from St. Joseph's College and earned his M.B.A. in finance and marketing from Loyola University in Chicago. He served as an Artillery Officer in the United States Army. We believe Mr. Nugent is qualified to serve as one of

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our directors based on his valuable business and management experience as the Chief Executive Officer of several companies in the medical device and aesthetics industries.

Board Composition

Structure

Our business and affairs are managed under the direction of our board of directors. Upon completion of this offering, our board of directors will consist of seven members, six of whom will be independent. In accordance with our amended and restated certificate of incorporation to be filed in connection with this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will initially consist of Messrs. Gupta and Nugent, and their terms will expire at the annual general meeting of stockholders to be held in 2015;
- the Class II directors will initially consist of Messrs. Simon and Haines, and their terms will expire at the annual general meeting of stockholders to be held in 2016; and
- the Class III directors will initially consist of Messrs. Zeini, O'Boyle and Greer, and their terms will expire at the annual general meeting of stockholders to be held in 2017.

We expect that additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control. See "Description of Capital Stock Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws" for a discussion of other anti-takeover provisions found in our amended and restated certificate of incorporation and bylaws.

Director Independence

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Our board of directors has determined that, other than Mr. Zeini, by virtue of his position as Chief Executive Officer, none of our directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the NYSE. Accordingly, a majority of our directors are independent, as required under applicable NYSE rules. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. Under NYSE corporate governance standards, we are not a "controlled company" of which more than 50% of the voting power is held by an individual, group or another company.

Leadership Structure of the Board

Our corporate governance guidelines specify that the positions of Chairman of the Board and Chief Executive Officer shall remain separate. Currently, Mr. Simon serves as Chairman of the Board. In his

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role as Chairman, Mr. Simon presides over the executive sessions of the board of directors in which Mr. Zeini does not participate and serves as a liaison to Mr. Zeini and management on behalf of the other members of the board of directors. Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

One of the key functions of our board of directors is informed oversight of our risk management process. The board of directors does not have a standing risk management committee, but rather administers this oversight function directly through the board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Audit Committee

Our audit committee consists of Messrs. O'Boyle, Haines and Nugent, each of whom has been determined to satisfy the SEC and the NYSE independence requirements. Mr. O'Boyle serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NYSE. Our board of directors has determined that each of Messrs. O'Boyle and Nugent is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the NYSE. The functions of the audit committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent auditors on our engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discussing the statements and reports with our independent auditors and management;

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- reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our auditors any earnings announcements and other public announcements regarding material developments;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;
- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and providing oversight of any related-person transactions in accordance with our related person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management is implemented;
- reviewing on a periodic basis our investment policy; and
- reviewing and evaluating on an annual basis the performance of the audit committee and the audit committee charter.

Compensation Committee

Our compensation committee consists of Messrs. Nugent, Simon and Greer. Our board of directors has determined that each of the members of our compensation committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, is an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code, and satisfies the NYSE independence requirements. Mr. Nugent serves as the chairperson of the committee. The functions of the compensation committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the board of directors regarding) our overall compensation strategy and policies;
- making recommendations to the board of directors regarding the compensation and other terms of employment of our executive officers;
- reviewing and making recommendations to the board of directors regarding performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;
- reviewing and approving (or if it deems it appropriate, making recommendations to the board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;

evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;

reviewing and making recommendations to the board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;

establishing policies with respect to votes by our stockholders to approve executive compensation to the extent required by Section 14A of the Exchange Act and, if

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- applicable, determining our recommendations regarding the frequency of advisory votes on executive compensation;
- reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;
- administering our equity incentive plans;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;
- reviewing and making recommendations to the board of directors regarding the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption "Compensation Discussion and Analysis" in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;
- preparing the report that the SEC requires in our annual proxy statement; and
- reviewing and evaluating on an annual basis the performance of the compensation committee and the compensation committee charter.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Greer, Gupta and O'Boyle. Our board of directors has determined that each of the members of the committee satisfies the SEC and NYSE independence requirements. Mr. Greer serves as the chairperson of the committee. The functions of the nominating and corporate governance committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by stockholders of candidates for election to our board of directors;

- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles and recommending to our board of directors any changes to such policies and principles;
- considering questions of possible conflicts of interest of directors as such questions arise; and
- reviewing and evaluating on an annual basis the performance of the nominating and corporate governance committee and the nominating and corporate governance committee charter.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers on our board of directors or compensation committee.

Code of Business Conduct and Ethics

In connection with this offering, we will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Upon the completion of this offering, our code of business conduct and ethics will be made available on our website at *www.sientra.com*. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website or in public filings to the extent required by applicable SEC rules or exchange requirements.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the closing of this offering, limit our directors' and officers' liability to the fullest extent permitted under Delaware corporate law. Delaware corporate law provides that directors will not be personally liable to corporations and their stockholders for monetary damages for breaches of their fiduciary duties as directors, except for liability:

- for any transaction from which the director derives an improper personal benefit;
- for any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- under Section 174 of the General Corporation Law of the State of Delaware (unlawful payment of dividends or redemption of shares); or
- for any breach of a director's duty of loyalty to the corporation or its stockholders.

If the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of our directors or officers shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

Delaware law and our amended and restated bylaws provide that we will, in certain situations, indemnify any person made or threatened to be made a party to a proceeding by reason of that person's former or present official capacity with us against judgments, penalties, fines, settlements and reasonable expenses. Any person is also entitled, subject to certain limitations, to payment or reimbursement of reasonable expenses (including attorneys' fees and disbursements) in advance of the final disposition of the proceeding.

In addition, we have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers. These agreements, among other things, require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or any other company or enterprise to which the person provides services at our request.

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We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe that these provisions in our amended and restated certificate of incorporation and amended bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or control persons, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Director Compensation

We did not pay any compensation to our directors in 2013. However, we did reimburse all non-employee directors for travel and out-of-pocket expenses incurred in connection with their service on the board of directors, including attending board and committee meetings.

In July 2014, we entered into offer letters with Messrs. Greer, O'Boyle and Nugent in connection with their proposed appointment to our board of directors, and they were subsequently appointed to the board effective as of July 22, 2014. Pursuant to the terms of each of their offer letters, they are each entitled to receive a $35,000 annual cash retainer, to be paid in equal quarterly installments in arrears, beginning from their date of appointment. In addition, in connection with their appointment to the board, each of Messrs. Greer, O'Boyle and Nugent were awarded an option to purchase 25,000 shares of our common stock, which will vest in equal monthly installments over three years subject to continued service as a director.

Our board of directors also approved a non-employee director compensation policy in 2014. This policy will become effective upon the closing of this offering. Under this policy, we will pay our non-employee directors a cash retainer for service on the board of directors and for service on each committee on which the director is a member. The chairman of each committee will receive higher retainers for such service. The fees paid to non-employee directors for service on the board of directors and for service on each committee of the board of directors on which the director is a member are as follows:

	Member Annual Retainer	Chairman Annual Retainer
Board of Directors	$ 35,000	$ 55,000
Audit Committee	10,000	20,000
Compensation Committee	7,500	15,000
Nominating and Corporate Governance Committee	5,000	10,000

In addition, following the completion of this offering, each non-employee director elected to our board of directors will, upon the date of his or her initial election or appointment to be a non-employee director, be granted an option to purchase a number of shares of common stock having a grant date fair value of $120,000, which will vest in equal monthly installments over three years subject to continued service as a director. Further, at the close of business on the date of each annual stockholder meeting following the initial public offering, each person who is then a non-employee director will be granted an option to purchase a number of shares of common stock having a grant date fair value of $75,000, which will vest in equal monthly installments over the 12-month period measured from the

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date of grant. In the discretion of the board of directors, the initial and annual director equity grants in any given year may also be awarded as a combination of options and restricted stock unit awards. All stock option or other equity awards to non-employee directors following the completion of this offering are expected to be made pursuant to the 2014 Plan. For additional information, see "Executive Compensation 2014 Equity Incentive Plan."

We will also continue to reimburse our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending our board of director and committee meetings.

The non-employee director compensation program is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

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EXECUTIVE COMPENSATION

This narrative discussion of the compensation arrangements that apply to our named executive officers is intended to assist your understanding of, and to be read together with, the Summary Compensation Table and related disclosures set forth below.

Named Executive Officers

Our "named executive officers" include our principal executive officer and our two other most highly compensated executive officers. For 2013, our named executive officers were:

- Hani Zeini, who currently serves as our President and Chief Executive Officer, as well as a member of our board of directors, and is our principal executive officer;
- Matthew Pigeon, who currently serves as our Chief Financial Officer and Treasurer, and is our principal financial officer; and
- Joel Smith, who currently serves as our General Counsel, Secretary and Chief Compliance Officer.

Summary Compensation Table

Name and principal position	Year	Salary	Bonus	Stock awards	Options	Non-equity incentive plan compensation[1]	All other compensation	Total
Hani Zeini *President and Chief Executive Officer*	2013	$ 450,000				$ 350,000		$ 800,000
Matthew Pigeon *Chief Financial Officer and Treasurer*	2013	309,984				125,000		434,984
Joel Smith *General Counsel, Secretary and Chief Compliance Officer*	2013	280,000				120,000		400,000

(1) Amounts shown represent annual performance-based bonuses earned for 2013. For more information, see below under " Compensation Elements Annual Performance Bonus."

Compensation Elements

The executive compensation program for our named executive officers generally consists of a base salary, an annual performance bonus, equity-based awards and other benefits.

Base Salary

We pay base salaries to attract and retain key executives with the necessary experience for our future growth and success. Base salaries provide certainty to our named executive officers as to a fixed amount of their compensation. Base salaries reflect each executive officer's responsibility level, tenure with us, individual performance and business experience.

Annual Performance Bonus

Each of our executives is eligible to earn an annual performance-based cash bonus. The target bonus opportunity for each executive is generally set as a percentage of the executive's base salary. In 2013, the compensation committee established minimum and target 2013 revenue thresholds and other performance objectives for our Company, and the actual bonus amounts were determined in January 2014 based upon actual achievement with respect to those objectives. Accordingly, bonus payments reflected in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation

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Table above represent annual bonus payments paid in 2014 for 2013 performance up to an executive's target amount.

Equity-Based Awards

Our equity-based incentive awards are designed to align our interests with those of our employees and consultants, including our named executive officers. Our board of directors is responsible for approving equity grants. As of December 31, 2013, stock options were the only form of equity awards we granted to our named executive officers. Vesting of equity awards is tied to continuous service with us and serves as an additional retention measure. Our executives generally are awarded an initial new hire grant upon commencement of employment. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Prior to this offering, we have granted all equity awards pursuant to the 2007 Plan. All options are granted with a per share exercise price equal to no less than the fair market value of a share of our common stock on the date of the grant of such award. Generally our stock option awards vest over a four-year period subject to the holder's continuous service to us. We expect that future equity awards will be granted to our named executive officers and other employees pursuant to the 2014 Plan. For additional information about the terms of our equity incentive plans, see below under " Equity Incentive Plans."

Benefits

In addition, we offer a standard benefits package that we believe is necessary to attract and retain key executives. Our named executive officers are eligible to participate in our health and dental insurance benefit plans and flexible spending accounts on the same terms and conditions as are available to all other employees.

Agreements with our Named Executive Officers

Offer letter with Mr. Zeini. We entered into an initial offer letter with Mr. Zeini dated June 15, 2007, which governed the terms of Mr. Zeini's employment with us through 2013 and provided for an annual base salary of $400,000 and an annual bonus of up to 50% of annual base salary based on his achievement of performance objectives and our achievement of certain pre-established corporate objectives. The offer letter also provided for an initial option grant and, contingent on our achievement of certain research and development milestones, an additional option grant, both of which were vested in full as of December 31, 2013. Additionally, we agreed to recommend to the compensation committee an increase in Mr. Zeini's base salary and to reconsider his severance benefits at such time as we achieve $150 million in sales based on a 12-month trailing average. Under the terms of Mr. Zeini's original offer letter, he was entitled to the following severance benefits in the event of a termination by us without "cause" (as defined in the offer letter): (i) continued payment of his annualized base salary plus the amount of Mr. Zeini's annual bonus for the year preceding the termination date, for twelve months, (ii) all unvested options granted under the 2007 Equity Incentive Plan would immediately vest and become exercisable and (iii) continued participation in medical or dental health plans provided by us for up to twelve months beginning on the termination date.

We entered into an employment agreement with Mr. Zeini in 2014 that governs the current terms of his employment with us. Pursuant to the agreement, Mr. Zeini is entitled to an annual base salary of $462,250, and is eligible to receive an annual target performance bonus of up to 50% of his base salary, as determined by our board of directors. Upon the completion of this offering, Mr. Zeini's annual performance bonus target will increase to 65%. Mr. Zeini is additionally entitled to

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certain severance benefits pursuant to his agreement, the terms of which are described below under " Potential Payments Upon Termination or Change of Control."

Offer letter with Mr. Pigeon. We entered into an initial offer letter with Mr. Pigeon on December 14, 2009, which governed his compensation during 2013 and provided for an initial annual base salary of $275,000 and an annual bonus of up to 30% of his annual base salary based on his achievement of performance objectives and our achievement of certain pre-established corporate objectives. The offer letter also provided for an initial option grant. Mr. Pigeon was not entitled to any severance benefits under the terms of his original offer letter.

We entered into an employment agreement with Mr. Pigeon in 2014 that governs the current terms of his employment with us. Pursuant to the agreement, Mr. Pigeon is entitled to an annual base salary of $313,733, and is eligible to receive an annual target performance bonus of up to 30% of his base salary, as determined by our board of directors. Upon the completion of this offering, Mr. Pigeon's annual performance bonus target will increase to 45%. Mr. Pigeon is additionally entitled to certain severance benefits pursuant to his agreement, the terms of which are described below under " Potential Payments Upon Termination or Change of Control."

Offer letter with Mr. Smith. We entered into an initial offer letter with Mr. Smith on May 25, 2007, which governed his compensation during 2013 and provided for an initial annual base salary of $250,000 and an annual bonus of up to 30% of his annual base salary based on his achievement of performance objectives and our achievement of certain pre-established corporate objectives. The offer letter also provided for an initial option grant. Mr. Smith was not entitled to any severance benefits under the terms of his original offer letter.

We entered into an employment agreement with Mr. Smith in 2014 that governs the current terms of his employment with us. Pursuant to the agreement, Mr. Smith is entitled to an annual base salary of $287,000, and is eligible to receive an annual target performance bonus of up to 30% of his base salary, as determined by our board of directors. Upon the completion of this offering, Mr. Smith's annual performance bonus target will increase to 45%. Mr. Smith is additionally entitled to certain severance benefits pursuant to his agreement, the terms of which are described below under " Potential Payments Upon Termination or Change of Control."

Potential Payments Upon Termination or Change of Control

Our board of directors has approved severance arrangements with each of our named executive officers, as well as with all of our other executive officers, as documented in their employment agreements with us. The board of directors believes it is important to provide our named executive officers with severance benefits under limited circumstances in order to provide them with enhanced financial security and sufficient incentive and encouragement to remain employed by us. The receipt of any termination-based payments or benefits by our named executive officers summarized below is subject to the executive's execution and the effectiveness of a release of claims against us.

Mr. Zeini

In the event Mr. Zeini's employment is terminated by us without cause, he will be entitled to receive the following benefits:

- a lump-sum severance payment equal to the sum of twelve months of his then-current base salary plus 100% of his target bonus paid in the prior year;

- up to twelve months of company-paid health insurance premiums; and

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vesting of his then-unvested equity awards to the extent of the number of shares that would have vested during the twelve months following termination of employment had his employment not terminated.

If Mr. Zeini's employment is terminated by us without cause or he resigns for good reason (as defined in his employment agreement) on or within twelve months following a change of control of Sientra, then all of his then-unvested equity awards held as of the termination date will immediately vest and, if applicable, become exercisable upon such termination or resignation. In addition, if unvested Sientra equity awards are not assumed by an acquiror in a change of control, then Mr. Zeini will be entitled to receive full acclerated vesting of such awards effective as of the consummation of such transaction.

Mr. Pigeon and Mr. Smith

In the event Mr. Pigeon or Mr. Smith's employment is terminated by us without cause, or such executive resigns for good reason (as defined in the applicable employment agreement) on or within twelve months following a change of control of Sientra, then such executive will be entitled to receive the following benefits:

cash severance in the form of continuation of his then-current base salary for nine months;

up to nine months of company-paid health insurance premiums; and

100% accelerated vesting of all unvested equity awards held as of the termination date.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information about the outstanding equity awards held by each of our named executive officers as of December 31, 2013.

Name	Grant Date	Vesting Commencement Date	Number of Securities Underlying Unexercised Options Exercisable	Unexercisable	Exercise Price ($)	Expiration Date
Hani Zeini	6/15/2007	4/4/2007	921,564	(1)(4)	0.60	6/14/2017
	1/15/2009	4/4/2007	307,188	(2)(4)	0.85	1/14/2019
	4/19/2012	3/9/2012	131,250	168,750(1)(4)	1.45	4/18/2022
Matthew Pigeon	1/1/2010	1/1/2010	195,500	(3)(4)	0.85	1/1/2020
	4/19/2012	3/9/2012	47,898	56,602(3)(4)	1.45	4/18/2022
Joel Smith	7/10/2007	6/1/2007	106,000	(3)(4)	0.60	7/9/2017
	1/15/2009	1/15/2009	44,000	(3)(4)	0.85	1/14/2019
	4/19/2012	3/9/2012	35,000	45,000(3)(4)	1.45	4/18/2022

(1) The shares subject to the option vest over a four year period, with approximately 1/48th of the shares vesting each month following the vesting commencement date, subject to continued service with us through each vesting date.

(2) The shares subject to the option vested as follows: 134,395 were vested as of the grant date, and remainder vested in equal monthly installments over 28 months, subject to continued service with us through each vesting date.

(3) The shares subject to the option vest over a four-year period as follows: 25% of the shares underlying the options vest on the one-year anniversary of the vesting commencement date and thereafter approximately 1/48th of the shares vest each month, subject to continued service with us through each vesting date.

(4)

Option is subject to accelerated vesting upon a qualifying termination of the executive's employment with us, as described under " Potential Payments and Benefits upon Termination or Change in Control."

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Equity Incentive Plans

Our board of directors and stockholders previously adopted the 2007 Plan. Our board of directors and our stockholders have also approved the 2014 Plan and the ESPP.

As of , 2014, the number of shares reserved for issuance, number of shares issued, number of shares underlying outstanding stock options and number of shares remaining available for future issuance under the 2007 Plan is set forth in the table below. The table below also reflects the shares associated with the 2014 Plan and the ESPP which will become effective upon the pricing of the offering. Our board of directors has determined not to make any further awards under the 2007 Plan following the closing of this offering.

Name of Plan	Number of Shares Reserved for Issuance	Number of Shares Issued	Number of Shares Underlying Outstanding Options	Number of Shares Remaining Available for Future Issuance
2007 Equity Incentive Plan				
2014 Equity Incentive Plan				
2014 Employee Stock Purchase Plan				

The following description of each of our stock incentive plans is qualified by reference to the full text of those plans, which are filed as exhibits to the registration statement of which this prospectus is a part.

2007 Equity Incentive Plan

The 2007 Plan was approved by our board of directors and our stockholders in April 2007, and was most recently amended in October 21, 2011.

Our 2014 Plan will become effective upon the date of this prospectus. As a result, we will not grant any additional options under the 2007 Plan following that date. However, any outstanding options granted under the 2007 Plan will remain outstanding, subject to the terms of our 2007 Plan and stock option agreements, until such outstanding options are exercised or until they terminate or expire by their terms.

Authorized Shares. We have reserved an aggregate of shares of our common stock for issuance under the 2007 Plan. This number is subject to adjustment in the event of a recapitalization, stock split, reclassification, stock dividend or other change in our capitalization. Shares of common stock underlying awards granted under the 2007 Plan that can no longer be exercised, as well as shares that are reacquired by us, are currently added back to the shares of common stock available for issuance under the 2007 Plan.

Types of Awards. The 2007 Plan permits us to make grants of options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code, or ISOs, and options that do not so qualify, which are referred to as nonstatutory stock options, or NSOs. ISOs may be granted only to our employees. NSOs may be issued to employees, officers, directors, consultants and other service providers of us and our affiliates. The 2007 Plan also permits us to make grants of restricted stock, however to date we have only granted options under the 2007 Plan. Restricted stock awards may be issued to employees, officers, non-employee directors, consultants and other service providers of us and our affiliates.

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Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, administers our 2007 Plan. Our board of directors may also delegate to one or more of our officers the authority to designate employees (other than officers) and consultants to receive awards under the 2007 Plan, subject to guidelines approved by our board of directors. Subject to the terms of the 2007 Plan, our board of directors has the authority to make all determinations regarding awards granted under the 2007 Plan, to interpret the plan, to prescribe and amend rules relating to it, and make all determinations necessary or advisable relating to the 2007 Plan. Any determinations made in good faith will be binding on all persons.

Corporate Transactions. Our 2007 Plan provides that in the event of a merger or consolidation of Sientra into another entity, or the sale of substantially all of our assets, collectively an acquisition, our board of directors has the authority to provide for accelerated vesting if an awardholder should subsequently terminate following such transaction. The 2007 Plan otherwise provides that options which are assumed in connection with an acquisition will be appropriately adjusted as to the number and class of securities and the exercise price.

Transferability. A participant may not transfer options awarded under our 2007 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2007 Plan.

Plan Amendment or Termination. Our board of directors may amend, suspend or terminate the 2007 Plan at any time, subject to compliance with applicable law, provided that provided that such action does not impair the existing rights of any participant without such participant's consent. Our board of directors may also amend, modify or terminate any outstanding award, provided that no amendment to an award may substantially affect or impair the rights of a participant under any awards previously granted without his or her consent, subject to certain exceptions. No awards may be granted under the 2007 Plan after the date that is 10 years from the earlier of date the 2007 Plan was approved by our board of directors or our stockholders.

2014 Equity Incentive Plan

Our board of directors adopted our 2014 Equity Incentive Plan, or 2014 Plan, in July 2014, and our stockholders approved the 2014 Plan in 2014. The 2014 Plan is the successor to our 2007 Plan. As of date of this prospectus, no further grants will be made under our 2007 Plan.

Authorized Shares. The maximum number of shares of our common stock that may be issued under our 2014 Plan is . Additionally, the number of shares of our common stock reserved for issuance under our 2014 Plan will automatically increase on January 1 of each year for a period of up to 10 years, beginning on January 1, 2015 and ending on and including January 1, 2024, by 4% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors. The maximum number of shares of our common stock that may be issued upon the exercise of ISOs under our 2014 Plan is .

Shares subject to stock awards granted under our 2014 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, do not reduce the number of shares available for issuance under our 2014 Plan. Additionally, shares issued pursuant to stock awards under our 2014 Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of a stock award or to satisfy the tax withholding obligations related to a stock award, become available for future grant under our 2014 Plan.

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Types of Awards. The 2014 Plan provides for the grant of ISO, NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards and other forms of stock awards, or collectively, stock awards, all of which may be granted to employees, including officers, non-employee directors and consultants of us and our affiliates. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2014 Plan. Our board of directors may also delegate to one or more of our officers the authority to (i) designate employees (other than officers) and consultants to receive specified stock awards, and (ii) determine the number of shares subject to such stock awards. Subject to the terms of our 2014 Plan, the board of directors has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of a share of our common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements for use under our 2014 Plan.

The board of directors has the power to modify outstanding awards under our 2014 Plan. The board of directors has the authority to reprice any outstanding option or stock appreciation right, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Section 162(m) Limits. At such time as necessary for compliance with Section 162(m) of the Code, no participant may be granted stock awards that are intended to comply with Section 162(m) of the Code covering more than 1,000,000 shares of our common stock under our 2014 Plan during any calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise price or strike price of at least 100% of the fair market value of our common stock on the date of grant. Additionally, no participant may be granted in a calendar year a performance stock award covering more than 1,000,000 shares of our common stock or a performance cash award having a maximum value in excess of $1,000,000 under our 2014 Plan. These limitations are intended to give us the flexibility to grant performance-based stock and cash awards under the 2014 Plan that will not be subject to the $1,000,000 annual limitation on the income tax deductibility imposed by Section 162(m) of the Code.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (a) the class and maximum number of shares reserved for issuance under the 2014 Plan, (b) the class and maximum number of shares that may be issued upon the exercise of ISOs and (c) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. Our 2014 Plan provides that in the event of certain specified significant corporate transactions, as defined under our 2014 Plan, each outstanding award will be treated as the board of directors determines. The board of directors may (i) arrange for the assumption, continuation or substitution of a stock award by a successor corporation; (ii) arrange for the assignment of any reacquisition or repurchase rights held by us to a successor corporation; (iii) accelerate the vesting, in whole or in part, of the stock award and provide for its termination prior to the transaction; (iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us; or (v) cancel or arrange for the cancellation of the stock award prior to the transaction in exchange for a

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cash payment, if any, determined by the board. The board of directors is not obligated to treat all stock awards or portions of stock awards, even those that are of the same type, in the same manner.

Transferability. A participant may not transfer stock awards under our 2014 Plan other than by will, the laws of descent and distribution, or as otherwise provided under our 2014 Plan.

Plan Amendment or Termination. Our board of directors may amend, suspend, or terminate our 2014 Plan, at any time, subject to compliance with applicable law. Our board of directors may also amend, modify or terminate any outstanding award, provided that no amendment to an award may substantially affect or impair the rights of a participant under any awards previously granted without his or her written consent, subject to certain exceptions. No awards may be granted after the tenth anniversary of the date our board of directors adopted our 2014 Plan. No stock awards may be granted under our 2014 Plan while it is suspended or after it is terminated.

2014 Employee Stock Purchase Plan

Our board of directors adopted our 2014 Employee Stock Purchase Plan, or our ESPP, in July 2014, and our stockholders approved the ESPP in 2014. Our ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code.

Authorized Shares. The maximum aggregate number of shares of our common stock that may be issued under our ESPP is shares. Additionally, the number of shares of our common stock reserved for issuance under our ESPP will increase automatically each year for a period of up to 10 years, beginning on January 1, 2015 and continuing through and including January 1, 2024, by the lesser of (i) 1.0% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year; (ii) shares of common stock; or (iii) such lesser number as determined by our board of directors. The stock purchasable under the ESPP will be shares of authorized but unissued or required common stock, including shares repurchased by the Company in the open market. Shares subject to purchase rights granted under our ESPP that terminate without having been exercised in full will be available for grant under our ESPP.

Plan Administration. Our board of directors will administer our ESPP. Our board of directors may delegate authority to administer our ESPP to our compensation committee. The administrator may approve offerings with a duration of not more than 27 months, and may specify one or more shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for the employees who are participating in the offering. The administrator, in its discretion, will determine the terms of offerings under our ESPP including determining which of our designated affiliates will be eligible to participate in the 423 component of our ESPP and which of our designated affiliates will be eligible to participate in the non-423 component of our ESPP.

Eligibility. Our employees, including executive officers, may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by the administrator: (i) customary employment for more than 20 hours per week and more than five months per calendar year, or (ii) continuous employment for a minimum period of time, not to exceed two years. An employee may not be granted rights to purchase stock under our ESPP if such employee (i) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of our common stock, or (ii) holds rights to purchase stock under our ESPP that would accrue at a rate that exceeds $25,000 worth of our stock for each calendar year that the rights remain outstanding.

Purchase rights and purchase price. Our ESPP permits participants to purchase shares of our common stock through payroll deductions or other methods with up to 15% of their earnings. The purchase price of the shares will be not less than 85% of the lower of the fair market value of our common stock on the first day of an offering or on the date of purchase.

Transferability. A participant may not transfer purchase rights under our ESPP other than by will, the laws of descent and distribution, or as otherwise provided under our ESPP.

Corporate Transactions. In the event of a specified corporate transaction, such as a merger or change in control, a successor corporation may assume, continue or substitute each outstanding purchase right. If the successor corporation does not assume, continue or substitute for the outstanding purchase rights, the offering in progress may be shortened and a new exercise date will be set, so that the participants' purchase rights can be exercised and terminate immediately thereafter.

Plan Amendment or Termination. Our board of directors has the authority to amend, suspend or terminate our ESPP, at any time and for any reason. Any benefits, privileges, entitlements and obligations under any outstanding purchase rights granted before an amendment, suspension or termination of the ESPP will not be materially impaired except (i) with the participant's consent, (ii) to comply with any laws, listing requirements, or regulations, or (iii) to obtain or maintain favorable tax, listing, or regulatory treatment.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2011 to which we have been a party, in which the amount involved in the transaction exceeded $120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change of control and other arrangements, which are described elsewhere in this prospectus.

Series C Preferred Stock Financing

In March 2012, we entered into a Series C preferred stock purchase agreement, or the Series C purchase agreement, pursuant to which we issued and sold to investors an aggregate of 12,183,690 shares of our Series C preferred stock, at a purchase price of $5.335 per share, for an aggregate purchase price of approximately $65.0 million.

The participants in this preferred stock financing included the following holders of more than 5% of our capital stock or entities affiliated with them. The following table sets forth the aggregate number of shares of Series C preferred stock issued to these related parties in this preferred stock financing:

Participants	Shares of Series C Preferred Stock
Greater than 5% stockholders	
Abingworth Bioventures V LP(1)	4,686,035
OrbiMed Private Investments III, LP(2)	2,811,621
Clarus Lifesciences I, L.P.	2,811,621
Goldman Sachs Private Equity Concentrated Healthcare Funds Offshore Holding, L.P.(3)	810,995
Teachers Insurance and Annuity Association of America	1,063,418

(1) Includes 2,343,018 shares of Series C preferred stock issued to Abingworth Bioventures V Co-Invest Growth Equity Fund LP.

(2) Includes 26,252 shares of Series C preferred stock issued to OrbiMed Associates III, LP.

(3) Includes: (i) 133,075 shares of Series C preferred stock issued to Private Equity Partners 2000 Direct Investment Fund LP, (ii) 230,228 shares of Series C preferred stock issued to Private Equity Partners 2000 LP, (iii) 129,954 shares of Series C preferred stock issued to Private Equity Partners 2000 Offshore Holdings LP, (iv) 38,989 shares of Series C preferred stock issued to Private Equity Partners 2002 Direct Investment Fund LP and (v) 172,780 shares of Series C preferred stock issued to Private Equity Partners 2002 Offshore Holdings LP.

Certain of our directors and executive officers have affiliations with the investors that participated in the preferred stock financing described above, as indicated in the table below:

Directors	Principal Stockholder
Nicholas Simon	Clarus Lifesciences I, L.P.
Rishi Gupta	OrbiMed Private Investments III, LP and affiliated entities
Timothy Haines	Abingworth Bioventures V LP and affiliated entities

Investor Agreements

In connection with our preferred stock financing, we entered into an amended and restated investor rights agreement with certain holders of our preferred stock and certain holders of our common stock, including all of the holders of more than 5% of our capital stock or entities affiliated with them,

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containing information rights, rights of first refusal and certain registration rights which are more fully described below in "Description of Capital Stock Registration Rights." All registration rights will terminate at the earlier of (i) the date five years after our initial public offering, or (ii) as to any holder of registrable securities, the first date after our initial public offering on which such holder is able to dispose of all of its registrable securities without restriction under Rule 144 of the Securities Act. The rights of first refusal do not apply to, and will terminate upon, the closing of this offering.

In connection with our preferred stock financing, we also entered into an amended and restated voting agreement with certain holders of our preferred stock and certain holders of our common stock, including all of the holders of more than 5% of our capital stock or entities affiliated with them, containing voting rights with respect to elections of our board of directors and certain proposed sale transactions. This agreement will terminate in its entirety on the date of the closing of this offering.

Employment Arrangements

We have entered into written employment severance agreements with our executive officers. For additional information, refer to the section entitled "Executive Compensation Employment Agreements."

Stock Options Granted to Executive Officers and Directors

We have granted stock options to our executive officers and directors, as more fully described in "Executive and Director Compensation Outstanding Equity Awards at Fiscal Year End."

Indemnification Agreements

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our amended and restated bylaws. These agreements, among other things, require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at our request. For more information regarding these indemnification arrangements, see "Management Limitation on Liability and Indemnification of Directors and Officers." We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may decline in value to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Policies and Procedures for Transactions with Related Persons

We have adopted a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and oversight of "related-person transactions." For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds $120,000.

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Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director or a holder of more than five percent of our common stock, including any of their immediate family members and any entity owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit and finance committee (or, where review by our audit and finance committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit and finance committee or another independent body of our board of directors takes into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval.

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DESCRIPTION OF CAPITAL STOCK

The following is a summary of the rights of our common and preferred stock and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the closing of this offering, and of the General Corporation Law of the State of Delaware. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the General Corporation Law of the State of Delaware.

General

Upon the closing of this offering and the filing of our amended and restated certificate of incorporation, our authorized capital stock will consist of shares of common stock, par value $0.01 per share and shares of preferred stock, par value $0.01 per share. All of our authorized preferred stock upon the closing of this offering will be undesignated.

Common Stock

Outstanding Shares

As of June 30, 2014, there were 575,714 shares of our common stock outstanding and held of record by 15 stockholders. Based on such number of shares of common stock outstanding as of June 30, 2014, and assuming (i) the conversion of all outstanding shares of our preferred stock as of June 30, 2014 into 24,593,087 shares of common stock in connection with the closing of this offering and (ii) the issuance by us of shares of common stock in this offering, there will be shares of common stock outstanding upon the closing of this offering.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available at the times and in the amounts that our board of directors may determine.

Voting Rights

Holders of our common stock are entitled to one vote per share. We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation. The board of directors is divided into three classes, which are as nearly equal in number as possible, with each director elected at an annual stockholders' meeting following the date of this offering serving a three-year term and one class being elected at each year's annual stockholder meeting.

Rights and Preferences

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution, distribution of assets or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, if any, after payment of

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liquidation preferences, if any, on any outstanding shares of preferred stock and payment of other claims of creditors.

Fully Paid and Non-Assessable

All of the outstanding shares of our common stock are, and the shares of our common stock to be issued pursuant to this offering will be, fully paid and non-assessable.

Preferred Stock

As of June 30, 2014, there were 24,593,087 shares of our preferred stock outstanding and held of record by 13 stockholders.

Upon the closing of this offering, all outstanding shares of preferred stock at June 30, 2014, will convert into 24,593,087 shares of our common stock.

Upon the closing of this offering, our certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. Under the amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue up to shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock.

Options

As of June 30, 2014, options to purchase a total of 4,308,486 shares of common stock were outstanding. As of June 30, 2014, 314,533 shares of common stock remain available for future issuance under our 2007 Plan. On July 22, 2014, we issued options to purchase a total of 190,500 shares of common stock. After this offering, we intend to cease granting awards under our 2007 Plan, and instead grant awards, including options, under our 2014 Plan, which was adopted by our board of directors in 2014 in connection with this offering. We have reserved an aggregate of shares of common stock for future issuance under our 2014 Plan, of which will be subject to outstanding stock options effective upon the pricing of this offering.

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Warrants

As of June 30, 2014, we had outstanding warrants to purchase an aggregate of 131,210 shares of our common stock with an exercise price of $5.335 per share, as follows:

Class of Stock	Number of Shares of Stock Subject to Warrant	Exercise Price per Share	Expiration Date
Common Stock	19,681	$ 5.335	January 17, 2020
Common Stock	22,493	$ 5.335	January 17, 2020
Common Stock	8,435	$ 5.335	August 1, 2020
Common Stock	5,623	$ 5.335	August 1, 2020
Common Stock	14,059	$ 5.335	December 13, 2020
Common Stock	14,059	$ 5.335	December 13, 2020
Common Stock	23,430	$ 5.335	June 30, 2021
Common Stock	23,430	$ 5.335	June 30, 2021

Exclusive Jurisdiction

Unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to Sientra or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action.

Registration Rights

Following the closing of this offering, certain holders of our common stock, or their transferees, will be entitled to the registration rights set forth below with respect to registration of the resale of such shares under the Securities Act pursuant to the investor rights agreement, as amended, by and among us and certain of our stockholders.

Demand Registration Rights

At any time, upon the written request of certain of the holders of the registrable securities then outstanding that we file a registration statement under the Securities Act covering the registration of the registrable securities resulting in net offering proceeds of at least $35.0 million, we will be obligated to notify all holders of registrable securities of such request and to use our reasonable best efforts to register the sale of all registrable securities that holders may request to be registered. We are not required to effect more than three registration statements which are declared or ordered effective. We may postpone the filing of a registration statement for up to 90 days twice in any 12-month period if in the good faith judgment of our board of directors such registration would be detrimental to us, and we are not required to effect the filing of a registration statement during the period starting with the date of the filing of, and ending on a date 180 days following the effective date of the registration statement for this offering. We may also postpone the filing of a registration statement if we notify the holders of the registrable securities within 30 days of our intention to file a registration statement for our initial public offering within 90 days. The underwriters of any underwritten offering will have the

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right to limit the number of shares having registration rights to be included in the registration statement.

"Piggyback" Registration Rights

If we register any securities for public sale, holders of registration rights will have the right to include their shares in the registration statement. The underwriters of any underwritten offering will have the right to limit the number of shares having registration rights to be included in the registration statement, but not below 25% of the total number of shares included in the registration statement, except this offering, in which the holders may be entirely excluded.

Form S-3 Registration Rights

If we are eligible to file a registration statement on Form S-3, from any time after the one year anniversary of this offering, holders of registrable securities have the right to demand that we file a registration statement on Form S-3 so long as the aggregate price to the public of the securities to be sold under the registration statement on Form S-3 is at least $1.0 million. We may postpone the filing of a registration statement for up to 90 days twice in any 12-month period if in the good faith judgment of our board of directors such registration would be detrimental to us, and we are only obligated to effect up to two registrations on Form S-3 in any 12-month period. We may also postpone the filing of a registration statement if we notify the holders of the registrable securities within 30 days of our intention to make a public offering within 90 days.

Expenses of Registration

Generally, we are required to bear all registration and selling expenses incurred in connection with the demand, piggyback and Form S-3 registrations described above, other than underwriting discount and commissions.

Expiration of Registration Rights

The demand, piggyback and Form S-3 registration rights discussed above will terminate upon the earlier of (i) five years following the closing of this offering or (ii) as to any holder of registrable securities, the first date after our initial public offering on which such holder is able to dispose of all of its registrable securities without restriction under Rule 144 of the Securities Act.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Our Amended and Restated Bylaws and Delaware Law

Delaware Anti-Takeover Law

We are subject to Section 203 of the General Corporation Law of the State of Delaware, or Section 203. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding upon consummation of the transaction, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do

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not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

on or subsequent to the consummation of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $^{2}/_{3}$% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

any merger or consolidation involving the corporation and the interested stockholder;

any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;

subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder;

subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and

the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the closing of this offering, may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws will:

permit our board of directors to issue up to   shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);

provide that the authorized number of directors may be changed only by resolution adopted by a majority of the board of directors;

provide that the board of directors or any individual director may be removed only for cause and only by the affirmative vote of the holders of at least 66 $^{2}/_{3}$% of the voting power of all of our then outstanding common stock;

provide that all vacancies, including newly created directorships, may, except as otherwise required by law or subject to the rights of holders of preferred stock as designated from time to time, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;

divide our board of directors into three classes;

- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies); and
- provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against the us arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require the affirmative vote of the holders of at least $66^2/_3$% of the voting power of all of our then outstanding common stock.

Annual Stockholder Meetings

Our amended and restated bylaws will provide that annual stockholder meetings will be held at a date, time and place as exclusively selected by our board of directors.

Listing

We intend to apply to list our common stock on the NYSE under the symbol "SIEN."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is . The address of is and the telephone number is .

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PRINCIPAL STOCKHOLDERS

The following table and accompanying footnotes set forth certain information with respect to the beneficial ownership of our common stock, as of July 31, 2014 and as adjusted to reflect the shares of common stock to be issued and sold in this offering assuming no exercise of the underwriters' option to purchase additional shares by:

- each person, or group of affiliated persons, known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all our current executive officers and directors as a group.

For purposes of the table below, the percentage ownership calculations for beneficial ownership prior to this offering are based on 25,168,801 shares of our common stock outstanding as of July 31, 2014, after giving effect to the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 24,593,087 shares of common stock. The table below assumes that there are shares of our common stock outstanding immediately following the closing of this offering.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Shares of common stock that may be acquired by an individual or group within 60 days of July 31, 2014, pursuant to the exercise of options, warrants or other rights, are deemed to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table.

Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them, based on information provided to us by such stockholders. The address for each director and executive officer listed below is: c/o Sientra, Inc., 420 South Fairview Avenue, Suite 200, Santa Barbara, California 93117.

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Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned Before the Offering	After the Offering
5% Stockholders:			
Abingworth Bioventures V LP and affiliated entities(1)	4,686,035	18.6%	%
OrbiMed Private Investments III, LP and affiliated entities(2)	8,509,609	33.8	
Clarus Lifesciences I, L.P.(3)	7,509,608	29.8	
Private Equity Managers (Healthcare) Offshore Holdings LP and affiliated entities(4)	2,153,277	8.6	
Teachers Insurance and Annuity Association of America(5)	1,734,559	6.9	
Named Executive Officers and Directors:			
Hani Zeini(6)	1,666,252	6.3	
Matthew Pigeon(7)	260,814	1.0	
Joel Smith(8)	200,006	*	
Nicholas Simon(9)	7,509,608	29.8	
Rishi Gupta(10)	8,509,609	33.8	
Timothy Haines(11)	4,686,035	18.6	
R. Scott Greer(12)	2,083	*	
Kevin O'Boyle(13)	2,083	*	
Jeffrey Nugent(14)	2,083	*	
All executive officers and directors as a group (9 persons)(15)	22,838,573	84.4%	%

* Represents beneficial ownership of less than 1.0%

(1) Consists of (i) 2,343,017 shares of Series C preferred stock held of record by Abingworth Bioventures V LP, or ABV V, and (ii) 2,343,018 shares of Series C preferred stock held of record by Abingworth Bioventures V Co-Invest Growth Equity Fund LP., or AGE. ABV V and AGE are collectively referred to as the "Abingworth Funds." The investment manager of the Abingworth Funds is Abingworth LLP, or Abingworth. Abingworth Bioventures V GP LP, a Scottish limited partnership, serves as the general partner of each of the Abingworth Funds. Abingworth Bioventures V GP LP has delegated to Abingworth all investment and dispositive power over the shares held by the Abingworth Funds. An investment committee of Abingworth, comprised of Joseph Anderson, Michael F. Bigham, Timothy Haines, one of our directors, Genghis Lloyd-Harris and Stephen W. Bunting, approves investment and voting decisions by a majority vote, and no individual member has the sole control or voting power over the shares held by the Abingworth Funds. Each of Abingworth Bioventures V GP LP, Abingworth Bioventures V LP Limited, Joseph Anderson, Michael F. Bigham, Timothy Haines, one of our directors, Genghis Lloyd-Harris and Stephen W. Bunting disclaims beneficial ownership of all shares held of record held by the Abingworth Funds. The address for the Abingworth Funds is c/o Abingworth LLP, 38 Jermyn Street, London SW1Y 6DN, United Kingdom.

(2) Consists of (i) 1 share of common stock held of record by OrbiMed Advisors LLC, or OrbiMed, (ii) 990,566 shares of Series A preferred stock held of record by OrbiMed Private Investments III, LP, or OPI III, (iii) 4,653,666 shares of Series B preferred stock held of record by OPI III, (iv) 2,785,096 shares of Series C preferred stock held of record by OPI III, (v) 9,434 shares of Series A preferred stock held of record by OrbiMed Associates III, LP, or Associates III, (vi) 44,321 shares of Series B preferred stock held of record by Associates III and (vii) 26,525 shares of Series C preferred stock held of record by Associates III. OPI III and Associates III are collectively referred to as the "OrbiMed Funds". OrbiMed Capital GP III LC, or GP III, is the sole general partner of OPI III and as such may be deemed to beneficially own the shares held of record by OPI III. OrbiMed is the general partner of Associates III and the sole managing member of GP III, and may be deemed to beneficially own the shares held of record by the OrbiMed Funds. Samuel D. Isaly is the managing member of and owner of a controlling interest in OrbiMed and may be deemed to have voting and investment power over shares held by OPI III and Associates III. Mr. Isaly disclaims beneficial ownership over such shares, except to the extent of his pecuniary interest therein. Mr. Isaly disclaims beneficial ownership of all shares held of record by the OrbiMed Funds in which he does not have a pecuniary interest. Rishi Gupta, one of our directors, is a private equity partner at OrbiMed and may be deemed to have voting and investment power over shares held by the OrbiMed Funds. Mr. Gupta disclaims beneficial ownership over such shares, except to the extent of his pecuniary interest therein. The address for the OrbiMed Funds entities is c/o OrbiMed Advisors LLC, 601 Lexington Avenue, 54th Floor, New York, NY 10024.

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(3) Consists of (i) 4,697,987 shares of Series B preferred stock held of record by Clarus Lifesciences I, L.P., or Clarus I, and (ii) 2,811,621 shares of Series C preferred stock held of record by Clarus I. Clarus Ventures I Management, L.P., or Clarus I GPLP, is the sole general partner of Clarus I and may be deemed to beneficially own certain of the shares held by Clarus I. Clarus I GPLP disclaims beneficial ownership of all shares held of record by Clarus I in which Clarus I GPLP does not have a pecuniary interest. Clarus Ventures I, LLC, or Clarus I GPLLC, is the sole general partner of Clarus I GPLP, and may be deemed to beneficially own certain of the shares held of record by Clarus I. Clarus I GPLLC disclaims beneficial ownership of all shares held of record by Clarus I in which it does not have a pecuniary interest. Each of Messrs. Henner, Liptak, Galakatos, Simon, one of our directors, Steinmetz and Wheeler, as individual managing directors of Clarus I GPLLC, may be deemed to beneficially own certain of the shares held of record by Clarus I. Each of Messrs. Galakatos, Henner, Liptak, Simon, Steinmetz and Wheeler disclaims beneficial ownership of all shares held of record by Clarus I in which he does not have a pecuniary interest. The address for Clarus I is 101 Main Street, Suite 1210, Cambridge, MA 02142.

(4) Consists of (i) 175,389 shares of Series B preferred stock held of record by Private Equity Managers (Healthcare) Offshore Holdings LP, or PEM Healthcare Offshore, (ii) 105,969 shares of Series C preferred stock held of record by PEM Healthcare Offshore, (iii) 220,254 shares of Series B preferred stock held of record by Private Equity Partners 2000 Direct Investment Fund LP, or PEP 2000 Direct, (iv) 133,075 shares of Series C preferred stock held of record by PEP 2000 Direct, (v) 381,051 shares of Series B preferred stock held of record by Private Equity Partners 2000 LP, or PEP 2000, (vi) 230,228 shares of Series C preferred stock held of record by PEP 2000, (vii) 215,087 shares of Series B preferred stock held of record by Private Equity Partners 2000 Offshore Holdings LP, or PEP 2000 Offshore, (viii) 129,954 shares of Series C preferred stock held by PEP 2000 Offshore, (ix) 64,532 shares of Series B preferred stock held of record by Private Equity Partners 2002 Direct Investment Fund LP, or PEP 2002 Direct, (x) 38,989 shares of Series C preferred stock held of record by PEP 2002 Direct, (xi) 285,969 shares of Series B preferred stock held of record by Private Equity Partners 2002 Offshore Holdings LP, or PEP 2002 Offshore, and (xii) 172,780 shares of Series C preferred stock held of record by PEP 2002 Offshore. PEM Healthcare Offshore, PEP 2000 Direct, PEP 2000, PEP 2000 Offshore, PEP 2002 Direct and PEP 2002 Offshore are collectively referred to as the "GS Funds." The investment manager of the GS Funds is Goldman Sachs Asset Management, L.P., or GSAM. GSAM Gen-Par, LLC, a Delaware limited liability company, serves as the managing member of the general partner of those GS Funds organized in Delaware, and as the director of the general partner of those GS Funds organized in the Cayman Islands. GSAM Gen-Par, LLC has signing authority for the GS Funds and GSAM has all investment and dispositive power over the shares held of record by the GS Funds. An investment committee of senior members of The AIMS Private Equity Group of GSAM comprised of Michael J. Brandmeyer, Michael R. Miele, Marc O. Boheim, Harold P. Hope III, Julia Feldman, Suzanne Gauron, Stephen Lessar, Gabriel Mollerberg, Konnin Tam and Christian von Schimmelmann approves investment and voting decisions by a majority vote, and no individual member has the sole control or voting power over the shares held of record by the GS Funds. Each of such members disclaims beneficial ownership of all shares held of record held by the GS Funds. The address for the GS Funds is c/o The AIMS Private Equity Group, 200 West Street, New York, NY 10282.

(5) Consists of (i) 671,141 shares of Series B preferred stock held of record by Teachers Insurance and Annuity Association of America, or TIAA, and (ii) 1,063,418 shares of Series C preferred stock held of record by TIAA. In accordance with New York State Insurance Law, the Board of Trustees comprised of Jeffrey R. Brown, Robert C. Clark, Roger W. Ferguson, Lisa W. Hess, Edward M. Hundert, Lawrence H. Linden, Maureen O'Hara, Donald K. Peterson, Sidney A. Ribeau, Dorothy K. Robinson, David L. Shedlarz, Ronald L. Thompson and Marta Tienda approves investment decisions made by TIAA. Approvals for certain transactions have been delegated to the investment committee of the Board of Trustees comprised of David L. Shedlarz, Jeffrey R. Brown, Lisa W. Hess, Maureen O'Hara and Donald K. Peterson. In certain cases, approvals for certain transactions have been further delegated to senior officers of TIAA, all subject to formal approval by the Board of Trustees. No individual member of the Board of Trustees, including the investment committee, or officer of TIAA has the sole control or voting power over the shares held by TIAA and such trustees and officers disclaim beneficial ownership of all shares held of record held by TIAA. The address for TIAA is 730 Third Avenue, New York, NY 10017.

(6) Consists of (i) 250,000 shares held of record by Mr. Zeini and (ii) options to purchase 1,416,252 shares exercisable within 60 days of July 31, 2014.

(7) Consists of options to purchase 260,814 shares exercisable within 60 days of July 31, 2014.

(8) Consists of options to purchase 200,006 shares exercisable within 60 days of July 31, 2014.

(9) Consists of the shares held of record by Clarus I and disclosed in footnote (3) above. Mr. Simon is a managing director of Clarus I GPLLC and may be deemed to beneficially own certain of the shares held of record by Clarus I, as disclosed in footnote (3). Mr. Simon disclaims beneficial ownership of all shares held of record by Clarus I, except to the extent of his pecuniary interest therein.

(10) Consists of the shares held of record by the OrbiMed Funds and disclosed in footnote (2) above. OrbiMed is the general partner of Associates III and the sole managing member of GP III, and may be deemed to beneficially own certain of the shares held of record by the OrbiMed Funds. Mr. Gupta is a private equity partner at OrbiMed and may be deemed to

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beneficially own certain of the shares held of record by the OrbiMed Funds, as disclosed in footnote (2). Mr. Gupta disclaims beneficial ownership of all shares held of record by the OrbiMed Funds, except to the extent of his pecuniary interest therein.

(11) Consists of the shares held of record by the Abingworth Funds and disclosed in footnote (1) above. Abingworth approves investment and voting decisions by a majority vote, and no individual member of Abingworth has the sole control or voting power over the shares held by the Abingworth Funds. Mr. Haines is a member of the investment committee of Abingworth and may be deemed to beneficially own certain of the shares held of record by Abingworth, as disclosed in footnote (1). Mr. Haines disclaims beneficial ownership of all shares held of record by the Abingworth Funds, except to the extent of his pecuniary interest therein.

(12) Consists of options to purchase 2,083 shares exercisable within 60 days of July 31, 2014.

(13) Consists of options to purchase 2,083 shares exercisable within 60 days of July 31, 2014.

(14) Consists of options to purchase 2,083 shares exercisable within 60 days of July 31, 2014.

(15) Consists of (i) 250,000 shares held of record by our current executive officers and directors and (ii) options to purchase 1,883,322 shares exercisable within 60 days of July 31, 2014.

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SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has not been a public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon the completion of this offering, a total of shares of common stock will be outstanding, assuming that there are no exercises of options after June 30, 2014. Of these shares, all shares of common stock sold in this offering by us, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining shares of our common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

As a result of the lock-up agreements described below and the provisions of Rule 144 and 701 under the Securities Act, each of which is described below, these restricted securities will be available for sale in the public market as follows:

- no shares will be available for sale until 180 days after the date of this prospectus, subject to certain limited exceptions provided for in the lock-up agreements; and

- shares will be eligible for sale beginning 180 days after the date of this prospectus, subject, in the case of shares by our affiliates, to the volume limitations under Rule 144.

In addition, of the 4,498,986 shares of our common stock that were issuable upon the exercise of stock options outstanding as of July 31, 2014, options to purchase 3,222,526 shares of our common stock were exercisable as of that date, and upon exercise these shares will be eligible for sale subject to the lock-up agreements described below and Rules 144 and 701 under the Securities Act. Furthermore, all of the 131,210 shares of our common stock that were issuable upon the exercise of warrants outstanding as of July 31, 2014 were exercisable as of that date, and upon exercise these shares of common stock will be eligible for sale subject to the lock-up agreements described below and Rule 144.

Rule 144

In general, under Rule 144, as currently in effect, a person, or persons whose shares are aggregated, who is not deemed to be or have been one of our affiliates for purposes of the Securities Act at the time, or at any time during the 90 days preceding a sale and who has beneficially owned their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell such shares without registration, provided current public information about us is available. If such a person has beneficially owned the shares for at least one year, including the holding period of any prior owner other than one of our affiliates, then such person is entitled to sell such shares immediately upon the closing of this offering without regard to whether current public information about us is available.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates, who have met the six-month holding period for beneficial ownership of "restricted shares" of our common stock, are entitled to sell within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or

- the average reported weekly trading volume of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales of restricted shares under Rule 144 held by our affiliates or persons selling shares on behalf of our affiliates are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement.

Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted shares have entered into lock-up agreements as described below and their restricted shares will become eligible for sale at the expiration of the restrictions set forth in those agreements.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. However, all holders of Rule 701 shares are subject to the lock-up agreements described below or similar agreements with us and their shares will not become eligible for sale until the expiration of the lock-up period set forth in those agreements.

Lock-Up Agreements

We, along with our directors, executive officers and substantially all of our other stockholders, optionholders and warrantholders, have agreed with the underwriters that for a period of 180 days, or the "restricted period," after the date of this prospectus, subject to specified exceptions, we or they will not offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive shares of common stock, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock or demand that we file a registration statement related to our common stock. Piper Jaffray & Co. and Stifel, Nicolaus & Company, Incorporated may, in their sole discretion release all or any portion of the shares from restrictions in such agreement. Upon expiration of the restricted period, certain of our stockholders will have the right to require us to register their shares under the Securities Act.

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After this offering, certain of our employees, including our executive officers and/or directors, may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Registration Rights

Upon the closing of this offering and the expiration of the lock-up agreements, the holders of 24,593,088 shares of our common stock will be entitled to request that we register the sale of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction, except for shares purchased by affiliates, immediately upon the effectiveness of that registration statement. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock. See "Description of Capital Stock Registration Rights."

Stock Options and Form S-8 Registration Statement

As of July 31, 2014, we had outstanding options to purchase an aggregate of 4,498,986 shares of our common stock, of which options to purchase 3,222,526 shares were vested. Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock subject to outstanding options and options and other awards issuable pursuant to our 2007 Plan, 2014 Plan and ESPP. Accordingly, shares of our common stock registered under the registration statements will be available for sale in the open market, subject to Rule 144 volume limitations applicable to affiliates, and subject to any vesting restrictions and lock-up agreements applicable to these shares.

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MATERIAL UNITED STATES FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion describes the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not address all aspects of U.S. federal income and estate taxes, does not discuss the potential application of the alternative minimum tax or the 3.8% Medicare tax on net investment income and does not deal with state, local or non-U.S. tax consequences that may be relevant to Non-U.S. Holders of our common stock. This discussion is based upon the Code, the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all in effect and available as of the date hereof and all of which are subject to differing interpretations and to change, revocation or repeal at any time, possibly on a retroactive basis. We have not sought, and will not seek, any ruling from the U.S. Internal Revenue Service, or the IRS, with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This summary assumes that Non-U.S. Holders will hold our common stock are held as a "capital asset" within the meaning of the Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons (including, for example, banks, financial institutions or other financial services entities, broker-dealers and traders in securities, insurance companies, partnerships or other pass-through entities or entities that are treated as disregarded entities for U.S. federal income tax purposes (regardless of their places of organization or formation), certain U.S. expatriates, tax-exempt organizations, pension plans, tax-qualified retirement plans, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, real estate investment trusts, regulated investment companies, persons subject to the alternative minimum tax, persons deemed to sell our common stock under the constructive sale provisions of the Code, persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation, or persons in special situations, such as those who have elected to mark securities to market or those who hold common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment or risk reduction strategy). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate and gift tax considerations or considerations under the tax laws of any state, local or non-U.S. jurisdiction.

For purposes of this summary, a "Non-U.S. Holder" means a beneficial owner of common stock that for U.S. federal income tax purposes is not classified as a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust's administration and one or more "United States persons" (within the meaning of Section 7701(a)(3) of the Code) have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

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If an entity that is treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity treated as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on Our Common Stock

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, in the event that we make a distribution of cash or property (other than certain stock distributions) with respect to our common stock (or in the case of certain redemptions that are treated as distributions with respect to our common stock), any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits, if any, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder's adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in " Gain on Sale, Exchange or Other Disposition of Our Common Stock." Any such distribution would also be subject to the discussion below under the sections titled " Additional Withholding and Reporting Requirements" and " Backup Withholding and Information Reporting."

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or our agent, as the case may be, with the appropriate IRS Form W-8, such as:

- IRS Form W-8BEN or W-8BEN-E (or successor form) certifying, under penalties of perjury, a reduction in withholding under an applicable income tax treaty, or

- IRS Form W-8ECI (or successor form) certifying that a dividend paid on our common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or our agent prior to the payment of dividends and must be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders who hold shares of our common stock through intermediaries or who are pass-through entities for U.S. federal income tax purposes.

Dividends that are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment or fixed base), generally will not be subject to U.S. withholding tax (provided that the certifications described above are satisfied), but instead generally will be subject to U.S. federal income

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tax on a net income basis in the same manner as if the Non-U.S. Holder were a resident of the United States. A corporate Non- U.S. Holder that receives effectively connected dividends may be subject to an additional branch profits tax at a rate of 30%, or a lower rate prescribed by an applicable income tax treaty.

Non-U.S. Holders that do not timely provide us or our agent with the required certification, but which are eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Gain on Sale, Exchange or Other Disposition of Our Common Stock

Subject to the discussion below under the sections titled " Additional Withholding and Reporting Requirements" and " Backup Withholding and Information Reporting," in general, a Non-U.S. Holder will not be subject to any U.S. federal income tax or withholding tax on gain realized upon such holder's sale, exchange or other disposition of shares of our common stock unless (i) such gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by such Non-U.S. Holder in the United States), (ii) such Non-U.S. Holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met; or (iii) we are or have been a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes, at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period in the shares of our common stock, and, in the case where shares of our common stock are regularly traded on an established securities market, the Non-U.S. Holder owns, or is treated as owning, more than five percent of our common stock at any time during the foregoing period.

Net gain realized by a Non-U.S. Holder described in clause (i) above generally will be subject to U.S. federal income tax in the same manner as if the Non-U.S. Holder were a resident of the United States. Any gains of a corporate Non-U.S. Holder described in clause (i) above may also be subject to an additional "branch profits tax" at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty.

Gain realized by an individual Non-U.S. Holder described in clause (ii) above will be subject to a flat 30% tax (or such lower rate specified by an applicable income tax treaty), which gain may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States, provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

For purposes of clause (iii) above, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not, and we do not anticipate that we will become, a United States real property holding corporation.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

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Additional Withholding and Reporting Requirements

Under Sections 1471 to 1474 of the Code, a U.S. federal withholding tax of 30% may apply to dividends and the gross proceeds of a disposition of our common stock paid to a "foreign financial institution" (as specially defined under applicable rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). This U.S. federal withholding tax of 30% will also apply to payments of dividends and the gross proceeds of a disposition of our common stock paid to a "non-financial foreign entity" (as specially defined under applicable rules) unless such entity either certifies it does not have any substantial U.S. owners or provides the withholding agent with a certification identifying substantial direct and indirect U.S. owners of the entity. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules. Under certain circumstances, a Non-U.S. Holder might be eligible for refunds or credits of such taxes. The U.S. has entered into agreements with certain countries that modify these general rules for entities located in those countries. Prospective investors are encouraged to consult with their tax advisors regarding the possible implications of Foreign Account Tax Compliance Act, or FATCA, on their investment in our common stock.

The FATCA withholding provisions described above will generally apply to payments of dividends made on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of common stock on or after January 1, 2017.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on our common stock paid to the holder and the tax withheld, if any, with respect to distributions that constitute dividends. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States or withholding was reduced by an applicable income tax treaty. Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 28%, with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above under the section titled "   Distributions on Our Common Stock", generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or, in which the Non- U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

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Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

U.S. Federal Estate Tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes unless an applicable estate or other tax treaty provides otherwise, and therefore, may be subject to U.S. federal estate tax.

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UNDERWRITING

Piper Jaffray & Co. and Stifel, Nicolaus & Company, Incorporated are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of our common stock set forth opposite its name below.

Underwriters	Number of Shares
Piper Jaffray & Co.	
Stifel, Nicolaus & Company, Incorporated	
Leerink Partners LLC	
William Blair & Company, L.L.C.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act relating to losses or claims resulting from material misstatements in or omissions from this prospectus, the registration statement of which this prospectus is a part, certain free writing prospectuses that may be used in the offering and in any marketing materials used in connection with this offering and to contribute to payments the underwriters may be required to make in respect of those liabilities.

Discount and Commissions

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of this offering may be changed. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The following table shows the public offering price, underwriting discount and proceeds, before expenses, to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the

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underwriters' overallotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less the underwriting discount and commissions. The underwriters may exercise this option solely for the purpose of covering overallotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the table above bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The estimated offering expenses payable by us, exclusive of the underwriting discount and commissions, are approximately $ million. We have also agreed to reimburse the underwriters for certain of their expenses in an amount not to exceed $ as set forth in the underwriting agreement.

No Sales of Similar Securities

We, our executive officers and directors and substantially all of our other stockholders, optionholders and warrantholders have agreed not to sell or transfer any shares of our common stock or securities convertible into, exchangeable or exercisable for, or that represent the right to receive shares of our common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Piper Jaffray & Co. and Stifel, Nicolaus & Company, Incorporated. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, announce the intention to sell, sell or contract to sell any shares of our common stock;
- sell any option or contract to purchase any shares of our common stock;
- purchase any option or contract to sell any shares of our common stock;
- grant any option, right or warrant to purchase any shares of our common stock;
- make any short sale or otherwise transfer or dispose of any shares of our common stock;
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequences of ownership of any shares of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise; or
- demand that we file a registration statement related to our common stock.

The restrictions in the preceding paragraph do not apply to transfers of securities:

- as a bona fide gift or gifts;
- to an immediate family member or any trust, corporation, partnership, limited liability company or other business entity for the direct or indirect benefit of the stockholder or an immediate family member of the stockholder;

- if the stockholder is a corporation, partnership, limited liability company, trust or other business entity (i) transfers to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate of the stockholder or (ii) distributions of shares of our common stock to limited partners, limited liability company members or stockholders of the stockholder, or to any investment fund or other entity that controls or manages the stockholder;
- if the stockholder is a trust, to the beneficiary of such trust;
- by testate succession or intestate succession;
- from an employee to us upon death, disability or termination or employment of such employee;
- if such securities were acquired in open market transactions after the completion of this offering;
- pursuant to the underwriting agreement; or
- pursuant to an order of a court or regulatory agency;

provided, in the case of a transfer described in bullets one through seven above, that such transfer does not involve a disposition for value, and each transferee agrees to be subject to the restrictions described in the immediately preceding paragraph and that no filing by any party under Section 16(a) of the Exchange Act, shall be required or shall be made voluntarily in connection with such transfer.

In addition, the transfer restrictions described above do not apply to:

- the exercise of stock options granted pursuant to our equity plans;
- the conversion of the outstanding preferred shares into our common stock;
- the conversion or exercise of warrants into common stock;
- forfeitures to satisfy tax withholding obligations in connection with the conversion or exercise of our options or warrants;
- transfers pursuant to a "change of control" of our company; or
- the establishment of any 10b5-1 plan, provided that no sales of the stockholders common stock will be made under such plans for 180 days after the date of this prospectus.

See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Listing

We intend to apply to list our common stock on the NYSE under the symbol "SIEN." In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;

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- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations and the prospects for, and timing of, our future net sales;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after this offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing shares of our common stock. However, the underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. "Covered" short sales are sales made in an amount not greater than the underwriters' overallotment option described above. The underwriters may close out any covered short position by either exercising their overallotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. "Naked" short sales are sales in excess of the overallotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of our common stock made by the underwriters in the open market prior to the closing of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

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Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In addition, one or more of the underwriters may facilitate Internet distribution for this offering to certain of their Internet subscription customers. Any such underwriter may allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet websites maintained by any such underwriter. Other than the prospectus in electronic format, the information on the websites of any such underwriter is not part of this prospectus.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

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(c)

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a)

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b)

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Canada

The common shares may be sold only to purchasers purchasing as principal that are both "accredited investors" as defined in National Instrument 45-106 Prospectus and Registration Exemptions and "permitted clients" as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the common shares must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

Switzerland

The common shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the common shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, or the common shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of common shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of common shares has not

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been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. Accordingly, no public distribution, offering or advertising, as defined in CISA, its implementing ordinances and notices, and no distribution to any non-qualified investor, as defined in CISA, its implementing ordinances and notices, shall be undertaken in or from Switzerland, and the investor protection afforded to acquirers of interests in collective investment schemes under CISA does not extend to acquirers of common shares.

France

This prospectus (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (Code monétaire et financier).

This prospectus has not been and will not be submitted to the French Autorité des Marchés Financiers, or the AMF, for approval in France and accordingly may not and will not be distributed to the public in France.

Pursuant to Article 211-3 of the AMF General Regulation, French residents are hereby informed that:

1. the transaction does not require a prospectus to be submitted for approval to the AMF;

2. persons or entities referred to in Point 2°, Section II of Article L.411-2 of the Monetary and Financial Code may take part in the transaction solely for their own account, as provided in Articles D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code; and

3. the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

This prospectus is not to be further distributed or reproduced (in whole or in part) in France by the recipients of this prospectus. This prospectus has been distributed on the understanding that such recipients will only participate in the issue or sale of our common stock for their own account and undertake not to transfer, directly or indirectly, our common stock to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other

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disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

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Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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LEGAL MATTERS

The validity of the shares of common stock being offered in this offering will be passed upon for us by Cooley LLP, Santa Monica, California. Certain legal matters relating to this offering will be passed upon for the underwriters by Latham & Watkins LLP, Costa Mesa, California.

EXPERTS

The financial statements of Sientra, Inc. as of December 31, 2012 and 2013, and for the years then ended, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC, which includes exhibits, schedules and amendments, under the Securities Act with respect to the common stock offered by this prospectus. Although this prospectus, which forms a part of the registration statement, contains all material information included in the registration statement, parts of the registration statement have been omitted as permitted by rules and regulations of the SEC. We refer you to the registration statement and its exhibits for further information about us, our common stock and this offering. The registration statement and its exhibits, as well as any other documents that we have filed with the SEC, may be inspected and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information about the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website at www.sec.gov that contains registration statements, reports, proxy and information statements, and other information regarding issuers like us that file electronically with the SEC.

After we have completed this offering, we will become subject to the information and reporting requirements of the Exchange Act and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information on file at the SEC's public reference rooms and the website of the SEC referred to above. Once the offering is completed, we intend to make these filings available on our website at *www.sientra.com*, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

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Years ended December 31, 2012 and 2013 (audited) and

Six months ended June 30, 2013 and 2014 (unaudited)

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Sientra, Inc.:

We have audited the accompanying balance sheets of Sientra, Inc. (the Company) as of December 31, 2012 and 2013, and the related statements of operations, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended. In connection with our audits of the financial statements, we also have audited the related financial statement schedule II valuation and qualifying accounts. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sientra, Inc. as of December 31, 2012 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As described in Note 2 to the financial statements of Sientra, Inc., accumulated deficit as of December 31, 2011 has been restated to correct a misstatement from the Company's previously issued financial statements, which were audited by other auditors.

/s/ KPMG LLP

KPMG LLP

Woodland Hills, California
July 17, 2014

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SIENTRA, INC.

Balance Sheets

(Information as of June 30, 2014 is unaudited)

(In thousands, except per share and share amounts)

		December 31, 2012	December 31, 2013	June 30, 2014 (Unaudited)	Pro Forma June 30, 2014 (Unaudited)
Assets					
Current assets:					
Cash and cash equivalents	$	39,208	9,722	21,637	
Accounts receivable, net of allowances of $4,500, $8,543 and $10,385 at December 31, 2012, December 31, 2013 and June 30, 2014, respectively		3,350	6,111	5,111	
Inventories, net		10,680	21,533	19,508	
Prepaid expenses and other current assets		883	884	2,119	
Total current assets		54,121	38,250	48,375	
Property and equipment, net		331	254	325	
Goodwill		14,278	14,278	14,278	
Other intangible assets, net		339	207	161	
Other assets		289	177	258	
Total assets	$	69,358	53,166	63,397	
Liabilities, Convertible Preferred Stock and Stockholders' Deficit					
Current liabilities:					
Accounts payable	$	2,864	4,768	4,090	
Accrued and other current liabilities		4,224	4,065	4,208	
Accrual for contingent consideration		18,000			
Customer deposits		1,315	4,908	6,304	
Total current liabilities		26,403	13,741	14,602	
Long-term debt			15,092	25,177	
Warranty reserve and other long-term liabilities		139	550	789	
Total liabilities		26,542	29,383	40,568	
Commitments and contingencies (note 10)					

Convertible preferred stock, $0.01 par value Authorized, issued and outstanding 24,593,087 shares at December 31, 2012, December 31, 2013 and June 30, 2014 (Liquidation preference of $151,000 as of December 31, 2013 and June 30, 2014)		150,456	150,456	150,456	
Stockholders' deficit:					
Common stock, $0.01 par value Authorized 30,200,000 shares; issued 761,356, 769,678 and 775,714 and outstanding 761,356, 569,678 and 575,714 shares at December 31, 2012, December 31, 2013 and June 30, 2014, respectively		8	8	8	254
Additional paid-in capital		1,462	1,814	2,022	152,232
Treasury stock, at cost (0 shares at December 31, 2012 and 200,000 shares at December 31, 2013 and June 30, 2014)			(260)	(260)	
Accumulated deficit		(109,110)	(128,235)	(129,397)	
Total stockholders' deficit		(107,640)	(126,673)	(127,627)	22,829
Total liabilities, convertible preferred stock and stockholders' deficit	$	69,358	53,166	63,397	63,397

See accompanying notes to financial statements.

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SIENTRA, INC.

Statements of Operations

(Information for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except per share and share amounts)

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(Unaudited)	
Net sales	$ 10,447	35,171	17,940	21,947
Cost of goods sold	2,352	8,592	4,384	5,455
Gross profit	8,095	26,579	13,556	16,492
Operating expenses:				
Sales and marketing	17,919	22,229	10,797	11,863
Research and development	3,670	4,479	2,166	2,305
General and administrative	9,938	18,078	9,768	4,908
Total operating expenses	31,527	44,786	22,731	19,076
Loss from operations	(23,432)	(18,207)	(9,175)	(2,584)
Other (expense) income, net:				
Interest expense		(872)	(380)	(842)
Other (expense) income, net:	(1)	(46)	(20)	2,264
Total other (expense) income, net	(1)	(918)	(400)	1,422
Loss before income taxes	(23,433)	(19,125)	(9,575)	(1,162)
Income taxes				
Net loss	$ (23,433)	(19,125)	(9,575)	(1,162)
Basic and diluted net loss per share attributable to common stockholders	$ (30.91)	(29.91)	(13.45)	(2.03)

Weighted average outstanding common shares used for net loss per share attributable to common stockholders:				
Basic and diluted	758,023	639,419	712,059	572,823
Pro forma net loss per share:				
Basic and diluted (unaudited)		$ (0.76)		$ (0.05)
Weighted average outstanding common shares used in computing pro forma net loss per share attributable to common stockholders:				
Basic and diluted (unaudited)		25,232,506		25,165,910

See accompanying notes to financial statements.

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SIENTRA, INC.

Statements of Convertible Preferred Stock and Stockholders' Deficit

(Information for the six months ended June 30, 2014 is unaudited)

(In thousands, except per share and share amounts)

	Convertible preferred stock		Common stock		Treasury stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at January 1, 2012	12,409,397	$ 85,903	756,356	$ 8		$	1,102	(84,818)	(83,708)
Correction of prior period adjustments								(859)	(859)
Balance at January 1, 2012, restated	12,409,397	85,903	756,356	8			1,102	(85,677)	(84,567)
Issuance of Series C convertible preferred stock at $5.335 per share, net of issuance costs of $447	12,183,690	64,553							
Stock option exercises			5,000				3		3
Employee stock-based compensation expense							357		357
Net loss								(23,433)	(23,433)
Balances at December 31, 2012	24,593,087	150,456	761,356	8			1,462	(109,110)	(107,640)
Stock option exercises			8,322				10		10
Repurchased common shares					200,000	(260)			(260)
Employee stock-based compensation expense							342		342
Net loss								(19,125)	(19,125)
Balances at December 31, 2013	24,593,087	$ 150,456	769,678	$ 8	200,000	$ (260)	1,814	(128,235)	(126,673)
Stock option exercises (unaudited)			6,036				9		9
Repurchased common shares (unaudited)									
Employee stock-based compensation expense (unaudited)							199		199
Net loss (unaudited)								(1,162)	(1,162)
Balances at June 30, 2014 (unaudited)	24,593,087	$ 150,456	775,714	$ 8	200,000	$ (260)	2,022	(129,397)	(127,627)
Pro forma:									
Conversion of convertible preferred stock to common stock (unaudited)	(24,593,087)	(150,456)	24,593,087	246			150,210		150,456
Balances at June 30, 2014 (unaudited)		$	25,368,801	$ 254	200,000	$ (260)	152,232	(129,397)	22,829

See accompanying notes to financial statements.

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SIENTRA, INC.

Statements of Cash Flows

(Information for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(Unaudited)	
Cash flows from operating activities:				
Net loss	$ (23,433)	(19,125)	(9,575)	(1,162)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Depreciation and amortization	288	280	138	125
Provision for sales return reserve	4,240	3,936	3,591	1,906
Provision for (recovery of) doubtful accounts	140	107		(64)
Provision for warranties	123	392	203	246
Change in fair value of warrants		46	20	93
Non cash interest expense		179	74	208
Stock-based compensation expense	357	342	171	199
Changes in assets and liabilities:				
Accounts receivable	(7,636)	(6,804)	(6,610)	(841)
Prepaid expenses, other current assets and other assets	(575)	195	248	(421)
Inventories	(7,520)	(10,852)	(4,509)	2,025
Accounts payable	390	1,904	552	(1,269)
Accrued and other liabilities	2,931	(70)	2,071	(237)
Customer deposits	849	3,593	1,992	1,395
Net cash (used in) provided by operating activities	(29,846)	(25,877)	(11,634)	2,203
Cash flows from investing activities:				
Purchase of property and equipment	(394)	(71)	(23)	(149)
Contingent payment related to Silimed acquisition		(18,000)	(18,000)	
Net cash used in investing activities	(394)	(18,071)	(18,023)	(149)
Cash flows from financing activities:				
Proceeds from exercise of stock options	3	10		9
Repurchase of common stock		(260)	(260)	
Proceeds from issuance of preferred stock, net	64,553			
Proceeds from issuance of long-term debt		15,000	7,500	10,000
Deferred financing costs		(288)	(81)	(148)
Net cash provided by financing activities	64,556	14,462	7,159	9,861

Net increase (decrease) in cash and cash equivalents		34,316	(29,486)	(22,498)	11,915
Cash and cash equivalents at:					
Beginning of period		4,892	39,208	39,208	9,722
End of period	$	39,208	9,722	16,710	21,637

Supplemental disclosure of cash flow information:					
Cash paid during the year for:					
Interest paid	$		641	235	596
Supplemental disclosure of noncash investing and financing activities:					
Accrual for the resolution of contingent payment related to Silimed acquisition	$	18,000			
Accrued deferred equity issuance costs	$				759

See accompanying notes to financial statements.

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SIENTRA, INC.

Notes to the Financial Statements

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(1) Formation and Business of the Company

Sientra, Inc. (the Company) was incorporated in the state of Delaware on August 29, 2003 under the name Juliet Medical and subsequently changed its name to Sientra, Inc. at the end of 2006. The Company acquired substantially all the assets of Silimed, Inc. (Silimed) on April 4, 2007. The purpose of the acquisition was to acquire the rights to the silicone breast implant clinical trials. Following this acquisition, the Company focused on completing the clinical trials to gain Food and Drug Administration ("FDA") approval to offer its silicone gel breast implants in the United States.

In March 2012, Sientra announced it had received approval from the FDA for its portfolio of silicone gel breast implants, and in late May of the same year began commercialization efforts to sell its products in the United States. The Company, based in Santa Barbara, California, is a medical aesthetics company that focuses on serving board-certified plastic surgeons and offers a portfolio of silicone shaped and round breast implants, tissue expanders, and body contouring products.

(2) Adjustment Related to Previously Issued Financial Statements

Subsequent to the issuance of the Company's audited financial statements as of and for the year ended December 31, 2011, certain adjustments were recorded to the Company's January 1, 2012, beginning accumulated deficit, primarily to record a fiscal 2011 bonus accrual and related expense in the correct period. The adjustments resulted in an increase in accumulated deficit at January 1, 2012 of $859.

(3) Summary of Significant Accounting Policies

(a) Basis of Presentation and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Assets and liabilities which are subject to significant judgment and use of estimates include the allowance for doubtful accounts, sales return reserves, provision for warranties, valuation of inventories, recoverability of long-lived assets, valuation allowances with respect to deferred tax assets, useful lives associated with property and equipment and finite lived intangible assets, and the valuation and assumptions underlying stock-based compensation and other equity instruments. On an ongoing basis, the Company evaluates its estimates compared to historical experience and trends, which form the basis for making judgments about the carrying value of assets and liabilities. In addition, the Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with stock-based compensation and other equity instruments.

(b) Liquidity

Since inception, the Company has incurred net losses. During the year ended December 31, 2013 and the six months ended June 30, 2014, the Company incurred a net loss of $19,125 and $1,162, respectively. The Company used $25,877 of cash in operations during the year ended December 31,

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

2013, and generated $2,203 of cash from operations for the six months ended June 30, 2014. At December 31, 2013 and June 30, 2014 the Company had an accumulated deficit of $128,235 and $129,397, respectively. The Company's ability to continue to meet its obligations and to achieve its business objectives is dependent upon, amongst other things, raising additional capital and/or generating sufficient revenues. For the long term, management may need to explore additional financing alternatives, including private equity or debt financing, collaborative or other arrangements with corporate partners or other sources. There can be no assurance, however, that such financing will be successfully completed on terms acceptable to the Company, if at all. Failure to manage discretionary expenditures or raise additional financing, as needed, may adversely impact the Company's ability to achieve its intended business objectives. The Company believes that it has the ability to continue as a going concern through at least December 31, 2014.

(c) Unaudited Interim Financial Information

The accompanying balance sheet as of June 30, 2014, the statements of operations and statements of cash flows for the six months ended June 30, 2013 and 2014, and the statement of convertible preferred stock and stockholders' deficit for the six months ended June 30, 2014 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2014 and the results of its operations and its cash flows for the six months ended June 30, 2013 and 2014. The financial data and other information disclosed in these notes related to the six months ended June 30, 2013 and 2014 are unaudited. The results for the six months ended June 30, 2014 are not necessarily indicative of results to be expected for the year ending December 31, 2014, any other interim periods, or any future year or period.

(d) Unaudited Pro Forma Information

The accompanying unaudited pro forma balance sheet and statement of convertible preferred stock and stockholders' deficit as of June 30, 2014 has been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock into 24,593,087 shares of common stock. In the accompanying statements of operations, unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2013 and the six months ended June 30, 2014 have been prepared to give effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock as if the proposed initial public offering had occurred on January 1, 2013.

(e) Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist primarily of checking accounts.

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

(f)
Concentration of Credit and Supplier Risks

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents are deposited in demand accounts at a financial institution that management believes is creditworthy. The Company is exposed to credit risk in the event of default by this financial institution for cash and cash equivalents in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). Management believes that the Company's investments in cash and cash equivalents are financially sound and have minimal credit risk and the Company has not experienced any losses on its deposits of cash and cash equivalents.

The Company currently purchases all of its breast products from one supplier under an exclusivity contract. The supplier and its production facility are located in Brazil. The Company is exposed to risks of foreign regulations in Brazil that could hinder the Company's ability to import goods, as well as halts or limitations in productions due to events outside of the Company's control occurring at the production facility. This could result in the Company not being able to acquire the inventory needed to meet customer demand, which would result in possible loss of sales and affect operating results adversely. Management believes that there is minimal risk of such events occurring.

(g)
Fair Value of Financial Instruments

The Company has estimated the fair value of its financial instruments using the following methods and assumptions:

Cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and customer deposits are carried at cost, which approximates fair value because of the short term nature of those instruments.

Long-term debt is included in the balance sheet at its amortized cost. The carrying value of the long-term debt approximates its fair value. The fair value of the Company's long-term debt was determined based on the relative timing of the instruments, all under substantially the same terms, including the issuance of each of the three tranches (tranche A, B, and C) drawn in 2013. In addition, tranches B and C were made available to the Company based on the Company meeting certain performance milestones. Furthermore, on June 30, 2014, the Company negotiated with Oxford to amend the Loan and Security Agreement, or original term loan agreement, and raise an additional $10,000 in a fourth tranche (tranche D). The terms for tranche D were substantially the same as for the prior tranches (see Note 5). Based upon this, for December 31, 2013 and June 30, 2014, the Company has determined the carrying value closely approximates the fair value.

(h)
Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market

SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs (other than Level 1 quoted prices) such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's common stock warrant liabilities are carried at fair value determined according to the fair value hierarchy described above. The Company has utilized an option pricing valuation model to determine the fair value of its outstanding common stock warrant liabilities. The inputs to the model include fair value of the common stock related to the warrant, exercise price of the warrant, expected term, expected volatility, risk-free interest rate and dividend yield. The Company determines the fair value per share of the underlying common stock by taking into consideration its most recent sale of its convertible preferred stock as well as additional factors that the Company deems relevant. The Company historically has been a private company and lacks company-specific historical and implied volatility information of its stock. Therefore, it estimates its expected stock volatility based on the historical volatility of publicly traded peer companies for a term equal to the remaining contractual term of the warrants. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the warrants. The Company has estimated a 0% dividend yield based on the expected dividend yield and the fact that the Company has never paid or declared dividends. As several significant inputs are not observable, the overall fair value measurement of the warrants is classified as Level 3.

The following tables present information about the Company's liabilities that are measured at fair value on a recurring basis as of December 31, 2013 and June 30, 2014 (unaudited) and indicate the level of the fair value hierarchy utilized to determine such fair value:

	Fair Value Measurements as of December 31, 2013 Using:			
	Level 1	**Level 2**	**Level 3**	**Total**
Liabilities:				
Liability for common stock warrants	$		90	90

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

	Fair Value Measurements as of June 30, 2014 Using:			
	Level 1	Level 2	Level 3	Total
		(Unaudited)		
Liabilities:				
Liability for common stock warrants	$		293	293

There were no liabilities measured at fair value on a recurring basis as of December 31, 2012.

The following table provides a rollforward of the aggregate fair values of the Company's common stock warrants for which fair value is determined by Level 3 inputs:

Fair value upon issuance during 2013	$ 44
Increase in fair value through December 31, 2013	46
Balance, January 1, 2014	90
Fair value of warrants upon issuance during 2014 (unaudited)	110
Increase in fair value through June 30, 2014 (unaudited)	93
Balance, June 30, 2014 (unaudited)	293

(i) Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset; generally three years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. Upon retirement or sale of an asset, the cost and related accumulated depreciation or amortization are removed from the balance sheet and any resulting gain or loss is reflected in operations in the period realized. Maintenance and repairs are charged to operations as incurred.

(j) Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets of purchased businesses. Goodwill is not amortized, but instead subject to impairment tests on at least an annual basis and whenever circumstances suggest that goodwill may be impaired. The Company's annual test for impairment is performed as of October 1 of each fiscal year. The Company makes a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it is not required to perform the two-step impairment test for that reporting unit.

Under the first step of the test, the Company is required to compare the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired and the second test is not

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

performed. If the results of the first step of the impairment test indicate that the fair value of a reporting unit does not exceed its carrying amount, then the second step of the test is required. The second step of the test compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The impairment loss is measured by the excess of the carrying amount of the reporting unit goodwill over the implied fair value of that goodwill.

Management evaluates the Company as a single reporting unit for business and operating purposes as all of the Company's revenue streams are generated by the same underlying products via sales in the United States of America. In addition, the majority of the Company's costs are, by their nature, shared costs that are not specifically identifiable to a geography or product line, but relate to all products. As a result, there is a high degree of interdependency among the Company's net sales and cash flows for the entity and identifiable cash flows for a reporting unit separate from the entity are not meaningful.

Judgments about the recoverability of purchased finite-lived intangible assets are made whenever events or changes in circumstance indicate that impairment may exist. Each fiscal year the Company evaluates the estimated remaining useful lives of purchased intangible assets and whether events or changes in circumstance warrant a revision to the remaining periods of amortization. Recoverability of finite-lived intangible assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. The intangible asset is amortized to the statement of operations based on estimated cash flows generated from the intangible over its estimated life.

(k) Impairment of Long-Lived Assets

The Company's management routinely considers whether indicators of impairment of long-lived assets are present. If such indicators are present, management determines whether the sum of the estimated undiscounted cash flows attributable to the assets in question is less than their carrying value. If less, the Company will recognize an impairment loss based on the excess of the carrying amount of the assets over their respective fair values. Fair value is determined by discounted future cash flows, appraisals or other methods. If the assets determined to be impaired are to be held and used, the Company will recognize an impairment charge to the extent the present value of anticipated net cash flows attributable to the asset are less than the asset's carrying value. The fair value of the asset will then become the asset's new carrying value. There have been no impairments of long-lived assets recorded during the years ended December 31, 2012 and 2013 and the six months ended June 30, 2013 and 2014. The Company may record impairment losses in future periods if factors influencing its estimates change.

(l) Revenue Recognition

The Company sells its product directly to customers in markets where it has regulatory approval. The Company offers a six-month return policy and recognizes revenue net of sales discounts and returns in accordance with FASB Accounting Standards Codification 605, *Revenue Recognition* (ASC 605).

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

ASC 605 requires that six basic criteria must be met before revenue can be recognized when a right of return exists:

- the seller's price to the buyer is substantially fixed or determinable at the date of sale;
- the buyer has paid the seller, or the buyer is obligated to pay the seller and the obligation is not contingent on resale of the product;
- the buyer's obligation to the seller would not be changed in the event of theft or physical destruction or damage of the product;
- the buyer acquiring the product for resale has economic substance apart from that provided by the seller;
- the seller does not have significant obligations for future performance to directly bring about resale of the product by the buyer; and
- the amount of future returns can be reasonably estimated.

Appropriate reserves are established for anticipated sales returns based on historical experience, recent gross sales and any notification of pending returns. The Company recognizes revenue when title to the product and risk of loss transfer to customers, provided there are no remaining performance obligations required of the Company or any written matters requiring customer acceptance. The Company allows for the return of product from customers within six months after the original sale and records estimated sales returns as a reduction of sales in the same period revenue is recognized. Sales return provisions are calculated based upon historical experience with actual returns. Actual sales returns in any future period are inherently uncertain and thus may differ from the estimates. If actual sales returns differ significantly from the estimates, an adjustment to revenue in the current or subsequent period would be recorded. The Company has established an allowance for sales returns of $4,334, $8,270 and $10,176 as of December 31, 2012, December 31, 2013 and June 30, 2014, respectively, recorded net against accounts receivable in the balance sheet.

A portion of the Company's revenue is generated from consigned inventory of breast implants maintained at doctor, hospital, and clinic locations. The customer is contractually obligated to maintain a specific level of inventory and to notify the Company upon use. For these products, revenue is recognized at the time the Company is notified by the customer that the product has been implanted. Notification is usually through the replenishing of the inventory and the Company periodically reviews consignment inventories to confirm accuracy of customer reporting. FDA regulations require tracking the sales of all implanted products.

Shipping and handling charges are largely provided to customers free of charge. The associated costs are viewed as part of the Company's marketing programs and are recorded as a component of sales and marketing expense in the statement of operations. For the years ended December 31, 2012 and 2013, these costs amounted to $354 and $1,021, respectively. For the six month periods ended June 30, 2013 and 2014, these costs amounted to $533 and $655, respectively.

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

In other cases, shipping and handling charges may be invoiced to customers based on the amount of products sold. In such cases, shipping and handling fees collected are recorded as revenue and the related expense as a component of cost of goods sold.

(m) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability to collect from some of its customers. The allowances for doubtful accounts are based on the analysis of historical bad debts, customer credit-worthiness, past transaction history with the customer, and current economic trends. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances may be required. The Company has established an allowance for doubtful accounts of $166, $273 and $209 as of December 31, 2012, December 31, 2013 and June 30, 2014, respectively.

(n) Inventories and Cost of Goods Sold

Inventories represent finished goods that are recorded at the lower of cost or market on a first-in, first-out basis (FIFO). The Company periodically assesses the recoverability of all inventories to determine whether adjustments for impairment or obsolescence are required. The Company evaluates the remaining shelf life and other general obsolescence and impairment criteria in assessing the recoverability of the Company's inventory.

The Company recognizes the cost of inventory transferred to the customer in cost of goods sold when revenue is recognized.

At December 31, 2012, December 31, 2013 and June 30, 2014, approximately $0, $528 and $1,403, respectively, of the Company's inventory was held on consignment at doctors' offices, clinics, and hospitals. The value and quantity at any one location is not significant.

(o) Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for uncertain tax position in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Company assesses all material positions taken in any income tax return, including all significant uncertain positions, in all tax years that are still subject to assessment or challenge by relevant taxing authorities. Assessing an uncertain tax position begins with the initial determination of the position's sustainability and is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. As of each balance sheet

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

date, unresolved uncertain tax positions must be reassessed, and the Company will determine whether (i) the factors underlying the sustainability assertion have changed and (ii) the amount of the recognized tax benefit is still appropriate. The recognition and measurement of tax benefits requires significant judgment. Judgments concerning the recognition and measurement of tax benefit might change as new information becomes available.

(p)
Research and Development Expenditures

Research and development costs are charged to operating expenses as incurred. Research and development, or R&D, primarily consist of clinical expenses, regulatory expenses, product development, consulting services, outside research activities, quality control, and other costs associated with the development of the Company's products and compliance with Good Clinical Practices, or GCP, requirements. R&D expenses also include related personnel and consultant compensation and stock based compensation expense.

(q)
Advertising

Expenses related to advertising are charged to sales and marketing expense as incurred. Advertising costs were $510 and $801 for fiscal years 2012 and 2013, respectively, and $279 and $855 for the six month periods ended June 30, 2013 and 2014, respectively.

(r)
Stock-Based Compensation

The Company applies the fair value provisions of FASB Accounting Standards Codification 718, *Compensation Stock Compensation* (ASC 718). ASC 718 requires the recognition of compensation expense, using a fair-value based method, for costs related to all employee share-based payments, including stock options. ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. All option grants valued are being expensed on a straight-line basis over their vesting period.

(s)
Product Warranties

The Company offers a limited warranty and a lifetime product replacement program for the Company's silicone gel breast implants. Under the limited warranty program, the Company will reimburse patients for certain out-of-pocket costs related to revision surgeries performed within ten years from the date of implantation in a covered event. Under the lifetime product replacement program, the Company provides no-charge replacement breast implants under a covered event. The programs are available to all patients implanted with the Company's silicone breast implants after April 1, 2012 and are subject to the terms, conditions, claim procedures, limitations and exclusions. Timely completion of a device tracking and warranty enrollment form by the patient's Plastic Surgeon is required to activate the programs and for the patient to be able to receive benefits under either program.

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

The Company accrued for warranties issued in fiscal 2012 and fiscal 2013 in the amounts of $123 and $392, respectively, and accrued for warranties issued during the six month periods ended June 30, 2013 and 2014 in the amounts of $203 and $246, respectively. As of December 31, 2012, December 31, 2013, and June 30, 2014, the Company held total warranty liabilities of $123, $515, and $761, respectively. To date, the Company has made no settlement payments for registered participants in either program.

(t) Segment Information

Management has determined that it has one business activity and operates in one segment as it only reports financial information on an aggregate and consolidated basis to its Chief Executive Officer, who is the Company's chief operating decision maker. All tangible assets are held in the United States.

(u) Net Loss Per Share

Basic loss per share attributable to common stockholders is computed by dividing net loss by the weighted average number of common shares outstanding during each period. Diluted loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares and dilutive potential common share equivalents then outstanding, to the extent they are dilutive. Potential common shares consist of shares issuable upon the exercise of stock options and warrants (using the treasury stock method), and the weighted average conversion of the convertible preferred stock into shares of common stock (using the if-converted method). Dilutive loss per share is the same as basic loss per share for all periods presented because the effects of potentially dilutive items were anti-dilutive.

	December 31,		June 30,	
	2012	2013	2013	2014
			(Unaudited)	
Net loss	$ (23,433)	(19,125)	(9,575)	(1,162)
Weighted average common shares outstanding, basic and diluted	758,023	639,419	712,059	572,823
Net loss per share attributable to common stockholders	(30.91)	(29.91)	(13.45)	(2.03)

The Company excluded the following potentially dilutive securities, outstanding as of December 31, 2012 and 2013 and as of June 30, 2013 and 2014, from the computation of diluted net loss per share attributable to common stockholders for the years ended December 31, 2012 and 2013 and the six

SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(3) Summary of Significant Accounting Policies (Continued)

months ended June 30, 2013 and 2014 because they had an anti-dilutive impact due to the net loss attributable to common stockholders incurred for the periods.

	December 31,		June 30,	
	2012	2013	2013	2014
			(Unaudited)	
Stock options to purchase common stock	3,874,986	3,911,486	3,904,486	4,308,486
Warrants for the purchase of common stock		84,350	42,174	131,210
Convertible preferred stock (as converted to common stock)	24,593,087	24,593,087	24,593,087	24,593,087
	28,468,073	28,588,923	28,539,747	29,032,783

(v)

Recent Accounting Pronouncements

In July 2012, the FASB issued an accounting standard update intended to simplify how an entity tests indefinite-lived intangible assets other than goodwill for impairment by providing entities with an option to perform a qualitative assessment to determine whether further impairment testing is necessary. This accounting standard update was effective for the Company beginning in the fiscal year 2013. There was no material impact on its financial statements upon the adoption of this guidance.

In May 2014, the FASB issued accounting standard update 2014-09, *Revenue from Contracts with Customers*. The standard was issued to provide a single framework that replaces existing industry and transaction specific US GAAP with a five step analysis of transactions to determine when and how revenue is recognized. This accounting standard updated will be effective for the Company beginning in fiscal year 2018. The Company is currently assessing the impact that the standard will have on the financial statements upon adoption of the guidance.

(4) Balance Sheet Components

Property and equipment, net consist of the following:

	December 31,		June 30,
	2012	2013	2014
			(Unaudited)
Leasehold improvements	$ 11	19	23
Computer equipment	172	183	202
Software	85	85	85
Office equipment	76	128	128

Furniture and fixtures	456	456	582
	800	871	1,020
Less accumulated depreciation and amortization	(469)	(617)	(695)
	$ 331	254	325

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(4) Balance Sheet Components (Continued)

Depreciation expense for the years ended December 31, 2012 and December 31, 2013 was $109 and $148, respectively, and for the six month periods ended June 30, 2013 and 2014 was $72 and $79, respectively.

Accrued and other current liabilities consist of the following:

	December 31			June 30,
		2012	2013	2014
				(Unaudited)
Accrued clinical trial and research and development expenses	$	191	166	135
Audit, consulting and legal fees		675	124	274
Payroll and related expenses		1,554	1,890	1,614
Accrued commission		1,535	1,563	1,472
Other		269	322	713
	$	4,224	4,065	4,208

(5) Long-term Debt

On January 17, 2013, the Company entered into the original term loan agreement with Oxford Finance LLC (Oxford) providing for a $15,000 term loan facility consisting of original term loans of (i) a $7,500 tranche A term loan, (ii) a $2,500 tranche B term loan and (iii) a $5,000 tranche C term loan, maturing on February 1, 2017. The term loan facility is collateralized by a first-priority security interest in substantially all of the Company's assets. Borrowings under the term loan facility bear interest at a rate equal to 8.4% per annum and the original term loan agreement provides for interest-only payments through June 30, 2015. The term loans include an additional lump sum payment of $975 due on February 1, 2017.

The original term loan agreement includes various non-financial negative and affirmative covenants, as well as restrictions on the payment of dividends. The Company was not in compliance with a non-financial covenant related to timely delivery of the audited financial statements as of and for year ended December 31, 2012. The Company received a waiver from Oxford related to this covenant.

On June 30, 2014, the Company entered into the Amended and Restated Loan and Security Agreement, or amended term loan agreement, with Oxford, under which the interest-only period for the original term loans was extended to August 1, 2015 and raised an additional $10,000 in a fourth tranche (tranche D) maturing on January 1, 2019. The term loans are collateralized by a first-priority security interest in substantially all of the Company's assets. The term loans bear interest at a rate equal to 8.4% per annum. The interest-only period for the tranche A, B and C term loans ends on August 1, 2015 and the interest-only period for the tranche D term loan ends on the same date, but with a possible extension of another year if the Company raises at least $50,000 in gross proceeds as part of an initial public offering before June 30, 2015. The tranche D term loan includes an additional lump sum payment of $650 due on January 1, 2019.

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Notes to the Financial Statements (Continued)

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(In thousands, except for share and per share amounts)

(5) Long-term Debt (Continued)

The amended term loan agreement contains various negative and affirmative covenants, including certain restrictive covenants that limit the Company's ability to transfer or dispose of certain assets, engage in new lines of business, change the composition of Company management, merge with or acquire other companies, incur additional debt, create new liens and encumbrances, pay dividends or subordinated debt and enter into material transactions with affiliates, among others. The amended term loan agreement also contains financial reporting requirements.

The aggregate maturities of long-term debt as of December 31, 2013 are: $0 in 2014, $3,757 in 2015, $9,569 in 2016, and $1,674 in 2017.

The aggregate maturities of long-term debt as of June 30, 2014 are: $0 in the remaining six months of 2014, $4,799 in 2015, $12,225 in 2016, $4,562 in 2017, $3,140 in 2018 and $274 in 2019.

In connection with the original term loan agreement, the Company issued seven year warrants to Oxford to purchase shares of the Company's common stock with a value equal to 3.0% of the original term loan facility amount with an exercise price per share equal to the lesser of (i) the Series C preferred stock price of $5.335 per share and (ii) the price per share in a subsequent qualified round of financing where gross proceeds are greater than $10,000.

In connection with the tranche D term loan, the Company issued additional seven year warrants to Oxford to purchase shares of the Company's common stock with a value equal to 2.5% of the tranche D term loan amount with an exercise price per share equal to the lesser of (i) the Series C preferred stock price of $5.335 per share and (ii) the price per share in a subsequent qualified round of financing where gross proceeds are greater than $10,000.

The fair value of the warrants at December 31, 2013 and June 30, 2014 was $90 and $293, respectively, and was recorded in accrued and other current liabilities in the balance sheet. The fair value of the warrants upon issuance of the debt instruments was $44 for tranches A, B and C and $110 for tranche D. The Company recognized changes in the fair value of these warrants amounting to $46, $20 and $93 in other income (expense), net in the statements of operations for the year ended December 31, 2013 and the six month periods ended June 30, 2013 and 2014, respectively.

(6) Acquisition of Silimed, Inc.

On April 4, 2007, the Company acquired substantially all of the assets of Silimed, a privately held Texas-based company engaged in the development and sale of medical devices including breast implants, under the terms of an Asset Purchase Agreement ("APA"). The consideration paid by the Company to Silimed was $29,850 in cash and 250,000 shares of the Company's common stock. The transaction also specified a series of contingent payments with a total potential value of $70,000. As the net assets acquired exceeded the purchase price, and since the contingencies were not resolved, the purchase price allocation included a deferred credit (negative goodwill) of $4,298.

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Notes to the Financial Statements (Continued)

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(6) Acquisition of Silimed, Inc. (Continued)

On May 16, 2013, the Company, Grader Street (formerly, Silimed, Inc.) and Grader Street's founder reached a confidential agreement in which the Company agreed to pay Grader Street a gross amount of $18,000 and to release all claims that the Company had against Grader Street and its founder. In return, Grader Street and its founder also released all claims, including all future contingent payments, under the APA. In addition, under the terms of the agreement, the Company paid $260 to repurchase all 200,000 shares (of the original 250,000 shares issued) currently held by Grader Street's founder.

Accordingly, the excess fair value of the settlement payment and the release of $576 in other assets related to claims against Grader Street over the $4,298 deferred credit were recognized as additional cost of the asset acquisition as of December 31, 2012 and 2013.

(7) Goodwill and Other Intangible Assets

(a) Goodwill

The changes in the carrying amount of goodwill for the year ended December 31, 2012 and 2013 and the six months ended June 30, 2014 are as follows:

	Gross Carrying Amount	Accumulated Impairment	Goodwill, net
Balance at December 31, 2011[1]	$ (4,298)		(4,298)
Silimed settlement (note 6)	18,576		18,576
Balance at December 31, 2012 and 2013 and June 30, 2014	14,278		14,278

(1) Amount recorded as a deferred credit in the balance sheet at December 31, 2011.

The Company has determined that it has one reporting unit and has chosen October 1 as the date for its annual impairment test. The Company performed the annual impairment test of goodwill for 2013 and 2012 and determined that goodwill was not impaired.

(b) Other Intangible Assets

The Company recorded approximately $1,713 of intangible assets in connection with the acquisition of Silimed. The components of the Company's intangible assets are as follows:

December 31,

		2012	2013	June 30, 2014 (Unaudited)
Acquired FDA non-gel product approval	$	1,713	1,713	1,713
Less accumulated amortization		(1,374)	(1,506)	(1,552)
	$	339	207	161

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

(Information as of and for the six months ended June 30, 2013 and 2014 is unaudited)

(In thousands, except for share and per share amounts)

(7) Goodwill and Other Intangible Assets (Continued)

Amortization expense for intangible assets for the years ended December 31, 2012 and 2013 was $179 and $132, respectively, and for the six month periods ended June 30, 2013 and 2014 was $66 and $46, respectively, and is recorded in general and administrative expense in the statement of operations. The remaining amortization period as of December 31, 2013 is 4 years. The following table summarizes the estimated amortization expense relating to the Company's intangible assets as of December 31, 2013:

2014	$	93
2015		62
2016		36
2017		16
	$	207

The remaining amortization period as of June 30, 2014 is 3.5 years. The following table summarizes the estimated amortization expense relating to the Company's intangible assets as of June 30, 2014:

Remaining six months of 2014	$	47
2015		62
2016		36
2017		16
	$	161

(8) Income Taxes

Actual income tax expense differs from that obtained by applying the statutory federal income tax rate of 34% to income before income taxes as follows:

		Year Ended December 31,	
		2012	**2013**
Tax at federal statutory rate	$	(7,967)	(6,502)
State, net of federal benefit		(774)	(576)
Permanent items		255	339
Research and development credits		(186)	(232)
Other		98	15
Change in valuation allowance		8,574	6,956
	$		

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(In thousands, except for share and per share amounts)

(8) Income Taxes (Continued)

The tax effects of temporary differences and carryforwards that give rise to significant portions of the deferred tax assets are as follows:

	December 31,	
	2012	2013
Net operating loss carryforwards	$ 30,963	37,278
Research and development credits	1,782	2,014
Depreciation	22	31
Accruals and reserves	2,044	3,706
Intangibles	8,321	7,058
	43,132	50,087
Less valuation allowance	(43,132)	(50,087)
Total deferred tax assets	$	

The Company has established a full valuation allowance against its deferred tax assets due to the uncertainty surrounding realization of such assets.

As of December 31, 2013, the Company had net operating loss carryforwards of approximately $96,928 and $76,572 available to reduce future taxable income, if any, for federal and California state income tax purposes, respectively. The federal net operating loss carryforward begins expiring in 2027, and the state net operating loss carryforward begins expiring in 2017.

As of December 31, 2013, the Company had research and development credit carryforwards of approximately $1,622 and $1,610 available to reduce future taxable income, if any, for federal and California state income tax purposes, respectively. The federal credit carryforwards begin expiring in 2027 and the state credits carryforward indefinitely.

At December 31, 2013, the Company had unrecognized tax benefits of approximately $671 associated with the research and development credits. The Company does not anticipate that total unrecognized net tax benefits will significantly change over the next twelve months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Ending balance at December 31, 2011	$ 532
Additions based on tax positions taken in the current year	62
Ending balance at December 31, 2012	594
Additions based on tax positions taken in the current year	77

Ending balance at December 31, 2013	$ 671

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SIENTRA, INC.

Notes to the Financial Statements (Continued)

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(In thousands, except for share and per share amounts)

(8) Income Taxes (Continued)

It is the Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. There was no interest expense or penalties related to unrecognized tax benefits recorded through December 31, 2013.

The Company files U.S. federal and state income tax returns in jurisdictions with varying statute of limitations. The years that may be subject to examination will vary by jurisdiction. The Company's tax years 2009 to 2013 will remain open for examination by the federal and state tax authorities.

(9) Stockholders' Deficit

(a) Convertible Preferred Stock

Under the Company's Certificate of Incorporation, as amended, the Company's convertible preferred stock is issued in three series: A, B and C. At December 31, 2013 and June 30, 2014, the Company's convertible preferred stock consists of the following:

Series	Shares authorized	Outstanding	Proceeds net of issuance costs	Liquidation value	Issuance date
A	1,000,000	1,000,000	$ 994	1,000	October 2006
B	11,409,397	11,409,397	84,909	85,000	April 2007 and October 2008
C	12,183,690	12,183,690	64,553	65,000	March 2012
	24,593,087	24,593,087	$ 150,456	151,000	

As of December 31, 2013 and June 30, 2014, the holders of convertible preferred stock have various rights and preferences as follows:

(b) Voting Rights

The holder of each share of Series A, Series B and Series C convertible preferred stock are entitled to the number of votes equal to the number of shares of the common stock into which each share of the preferred stock could be converted on the record date. The holders of shares of preferred stock have voting rights and powers equal to the voting rights and powers of holders of common stock. Fractional votes are not permitted and any fractional voting rights will be rounded to the nearest whole number.

As long as at least 500,000 shares of convertible preferred stock remain outstanding, the holders of outstanding shares of convertible preferred stock are entitled to elect three of the six members of the Board of Directors. The holders of outstanding shares of common stock are entitled to elect one director. The holders of outstanding shares of convertible preferred stock and common stock, voting together on an as converted basis, are entitled to elect the remaining two directors of the Company.

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(9) Stockholders' Deficit (Continued)

As long as at least 20% of the shares of the convertible preferred stock (as adjusted for any stock splits, stock dividends, recapitalizations or the like) are outstanding, the Company must obtain approval from at least 65% of the holders of convertible preferred stock in order to amend the Certificate of Incorporation or Bylaws, issue shares or increase the authorized shares of common stock, reduce or increase the size of the Board of Directors, declare and pay a dividend, redeem or repurchase any shares of the Company's capital stock or options to purchase capital stock, create a new class or series of shares having rights on par or senior to the Series C, take any action to effect a liquidation of the Company, incur indebtedness for borrowed money in excess of $500 other than debt facilities approved by the Board of Directors, or take any action that will result in taxation of holders of preferred stock under Section 305 of the Internal Revenue Code of 1986, as amended.

(c) Dividends

The holders of convertible preferred stock are entitled to receive noncumulative dividends, when and if declared by the Board of Directors, out of any assets legally available, prior to and in preference to any declaration or payment of dividends on the common stock of the Company. Dividends are payable at an annual rate of 8% of the original issue price for all series of convertible preferred stock (adjusted to reflect subsequent stock dividends, stock splits or recapitalization). Holders of Series C are entitled to be paid first prior to payment of holders of Series A and Series B. Thereafter, holders of Series B are entitled to be paid next prior to payment of holders of Series A. After payment to the holders of the convertible preferred stock, the holders of common stocks are entitled to receive dividends, when and if declared by the Board of Directors, out of any assets legally available. No dividends have been declared to date. As of December 31, 2013 and June 30, 2014, no dividends have been declared.

(d) Liquidation Preference

In the event of any corporate reorganization, liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of Series A, Series B and Series C are entitled to receive an amount of $1.00, $7.45 and $5.335 per share, respectively, (adjusted to reflect stock dividends, stock splits, and recapitalization), plus any accrued but unpaid dividends. Corporate reorganizations include (i) any mergers, consolidations, or reorganizations where existing stockholders no longer hold at least 51% of the voting power; (ii) sales, exchanges, conveyances, leases, exclusive licenses, transfer or other disposition of all or substantially all of the Company's assets; or (iii) sale, exchange, or transfer of shares of capital stock representing at least 50% of the voting power of the voting securities of the Company, but excluding a qualified initial public offering. Holders of Series C are entitled to be paid first prior to payment of holders of Series A and Series B. Thereafter, the holders of Series B are entitled to be paid prior to payment of holders of Series A. The remaining assets, if any, shall be distributed among common stockholders. If upon such liquidation, dissolution or winding up of the Company, the assets of the Company are insufficient to provide for the cash payment of the full preferential amount to the holders of preferred convertible stock, then the entire assets and funds of the Company legally available for distribution shall be distributed first ratably among the holders of Series C in proportion to the full preferential amount each holder is otherwise entitled to receive, and to the extent funds are available, next among holders of Series B prior to holders of Series A.

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(9) Stockholders' Deficit (Continued)

As of December 31, 2013 and June 30, 2014, the carrying value of the preferred stock has not been adjusted to its liquidation redemption value as an event that would trigger liquidation redemption is not considered probable.

(e) Conversion Rights

Each share of convertible preferred stock, at the option of the holder, is convertible at any time into the number of shares of common stock (adjusted to reflect stock dividends, stock splits and recapitalization) that results from dividing the original issue price by the conversion price in effect at the time of the conversion. The initial per share conversion price of the Series A, Series B and C convertible preferred stock is $1.00, $7.45 and $5.335 per share, respectively, and subject to adjustment in accordance with antidilution provisions contained in the Company's Articles of Incorporation.

If not previously converted at the option of the holder, the conversion of the convertible preferred stock is automatic and will be converted at the then applicable conversion prices upon the earlier of any of the following events: (i) affirmative election of the holders of at least 65% of the then outstanding shares of the convertible preferred stock on an as-if converted basis, or (ii) the closing of a firm commitment underwritten public offering based on an effective registration statement under the Securities Act of 1933 for the issuance of common stock. The per-share price must be at least 200% of the Series C purchase price resulting in the aggregate proceeds raised from the offering of at least greater than $35,000 or (iii) consent of holders of at least 65% of the then outstanding shares of the convertible preferred stock, on an as-if converted basis, in connection with any mandatory conversion, as prescribed in the Certificate of Incorporation, in which the current fair market value of the Company's Common Stock exceeds the Series C purchase price or (iv) upon the consent of the holders of at least 65% of the then outstanding shares of the convertible preferred stock, on an as-if converted basis, including the consent of all stockholders that hold in excess of 19% of the then outstanding shares of the preferred stock of the Company.

(f) Common Stock

The Company's Certificate of Incorporation, as amended, authorizes the Company to issue 30,200,000 shares of $0.01 par value common stock. At December 31, 2013 and June 30, 2014, the Company has reserved sufficient shares of common stock for issuance upon conversion of convertible preferred stock and exercise of stock options. Common stockholders are entitled to dividends when and if declared by the Board of Directors. There have been no dividends declared to date. The holder of each share of common stock is entitled to one vote.

(g) Stock Option Plan

In April 2007, the Company adopted the 2007 Equity Incentive Plan (the 2007 Plan). The 2007 Plan provides for the granting of stock options to employees, directors and consultants of the Company. Options granted under the 2007 Plan may either be incentive stock options or nonstatutory stock options. Incentive stock options (ISO) may be granted only to Company employees. Nonstatutory

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(9) Stockholders' Deficit (Continued)

stock options (NSO) may be granted to all eligible recipients. A total of 4,648,732 shares of the Company's common stock were reserved for issuance for the 2007 Plan.

Options under the 2007 Plan may be granted for periods of up to ten years as determined by the Board of Directors, provided, however, that (i) the exercise price of an ISO shall not be less than 100% of the estimated fair value of the shares on the date of grant, and (ii) the exercise price of an ISO granted to a more than 10% shareholder shall not be less than 110% of the estimated fair value of the shares on the date of grant. An NSO has no such exercise price limitations. The options generally vest over four years. The vesting provisions of individual options may vary but provide for vesting of at least 25% per year.

The following summarizes all option activity under the 2007 Plan:

		Options outstanding		
	Options available for grant	Number of options	Weighted average exercise price	Weighted average remaining contractual term (years)
Balances at December 31, 2011	440,909	2,477,736	$ 0.69	
Additional shares authorized	1,723,732			
Options granted	(1,414,250)	1,414,250	1.45	
Options exercised		(5,000)	0.60	
Options forfeited	12,000	(12,000)	0.85	
Balances at December 31, 2012	762,391	3,874,986	0.97	
Additional shares authorized				
Options granted	(72,500)	72,500	1.38	
Options exercised		(8,322)	1.24	
Options forfeited	27,678	(27,678)	1.43	
Balances at December 31, 2013	717,569	3,911,486	$ 0.97	5.76
Additional shares authorized (unaudited)				
Options granted (unaudited)	(427,500)	427,500	4.00	
Options exercised (unaudited)		(6,036)	1.45	
Options forfeited (unaudited)	24,464	(24,464)	1.44	
Balances at June 30, 2014 (unaudited)	314,533	4,308,486	$ 1.27	5.71

Vested and expected to vest at December 31, 2013	3,911,486	0.97	5.76
Vested and exercisable at December 31, 2013	3,023,818	0.84	5.02
Vested and expected to vest at June 30, 2014 (unaudited)	4,308,486	1.27	5.71
Vested and exercisable at June 30, 2014 (unaudited)	3,222,526	0.87	4.71

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(9) Stockholders' Deficit (Continued)

The weighted average grant date fair value of stock options granted to employees and directors during the years ended December 31, 2012 and 2013 was $0.84 and $0.69 per share, respectively, and $0.71 and $2.19 per share for the six months ended June 30, 2013 and 2014, respectively. Stock-based compensation expense for the years ended December 31, 2012 and 2013 was $357 and $342 respectively, and $171 and $199 for the six months ended June 30, 2013 and 2014, respectively. As of December 31, 2013 and June 30, 2014, there were total unrecognized compensation costs of $723 and $1,458, respectively, related to these stock options. The expense is recorded within the operating expense captions in the statement of operations based on the employees receiving the awards. As of December 31, 2013, these costs are expected to be recognized over a weighted average period of 2.29 years.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised was $4 and $1 during the years ended December 31, 2012 and 2013, respectively, and $0 and $18 during the six months ended June 30, 2013 and 2014, respectively.

The Company estimated the fair value of stock options using the Black-Scholes option valuation model. The fair value of employee stock options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value of employee stock options was estimated using the following assumptions:

	Year ended December 31,		Six months ended June 30,	
	2012	2013	2013	2014
			(Unaudited)	
Expected term (in years)	6.02 to 6.08	6.08	6.08	6.08
Expected volatility	62% to 64%	56%	56%	57%
Risk-free interest rate	0.85% to 1.15%	1.00% to 1.76%	1.00% to 1.04%	2.00%
Dividend yield				

The expected term of employee stock options, risk-free interest rate and volatility represents the weighted average, based on grant date period, which the stock options are expected to remain outstanding. The Company utilized the simplified method to estimate the expected term of the options pursuant to ASC Subtopic 718-10 for all option grants to employees. The expected volatility is based upon historical volatilities of an index of a peer group because it is not practicable to make a reasonable estimate of the Company's volatility. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant for periods corresponding with the expected term of the option. The dividend yield assumption is based on the Company's history and expectation of dividend payouts. The Company has never declared or paid any cash dividends on its common stock, and the Company does not anticipate paying any cash dividends in the foreseeable future.

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(9) Stockholders' Deficit (Continued)

As stock-based compensation expense recognized in the Company's statement of operations is based on awards ultimately expected to vest, the amount has been reduced for estimated forfeitures. Forfeitures were estimated based on the Company's historical experience and future expectations.

For purposes of financial accounting for stock-based compensation, the Company has determined the fair values of its options based in part on the work of a third-party valuation specialist. The determination of stock-based compensation is inherently uncertain and subjective and involves the application of valuation models and assumptions requiring the use of judgment. If the Company had made different assumptions, its stock-based compensation expense, and its net loss could have been significantly different.

(10) Commitments and Contingencies

(a)
Operating Lease Commitment

In May 2009, the Company entered into a 27 month sublease agreement in Santa Barbara, California. This operating lease is used for general office use only. This lease was automatically extended on August 1, 2011 and will be automatically extended annually on August 1 every year thereafter, until July 31, 2014.

In May 2012, the Company entered into a new lease agreement for a warehouse in Santa Barbara, California. The lease commenced on January 1, 2013 and has a term of 37 months.

In August 2013, the Company entered into a four month warehouse lease in Santa Barbara, California, commencing on September 1, 2013. This operating lease is used for additional general office, warehouse, and research and development. This lease was renewed on December 10, 2013 for an additional six months, and was renewed again in June 2014 for an additional 12 months.

As of December 31, 2013, future minimum lease payments under all non-cancelable operating leases are as follows:

Years ending December 31:		
2014	$	229
2015		101
2016 and thereafter		
	$	330

In March 2014, the Company entered into a 68 month lease agreement in Santa Barbara, California. The operating lease is for general office use only and commenced on July 1, 2014.

The terms of the facility lease provide for rental payments on a graduated scale. The Company recognizes rent expense on a straight-line basis over the lease term. Rent expense for the years ended

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(10) Commitments and Contingencies (Continued)

December 31, 2012 and 2013 was $376 and $359, respectively, and for the six months ended June 30, 2013 and 2014 was $172 and $181, respectively.

(b) Contingencies

The Company is subject to claims and assessments from time to time in the ordinary course of business. Other than as noted, the Company's management does not believe that any such matters, individually or in the aggregate, will have a materially adverse effect on the Company's balance sheet, results of operations, or cash flows.

On March 27, 2012, Mentor Worldwide LLC (Mentor), a wholly owned subsidiary of Johnson & Johnson, filed thirteen lawsuits against fifteen employees of the Company (all former Mentor employees) and, on June 8, 2012, filed a fourteenth lawsuit against the Company and an additional employee. In general, these fourteen lawsuits alleged that the former employees of Mentor breached their confidentiality and non-compete agreements when they resigned in favor of employment with the Company; misappropriated confidential Mentor information and trade secrets; and breached their respective duties of loyalty. Although not a party to thirteen employee lawsuits, the Company provided for the defense of its employees in the lawsuits. In the employee lawsuits, all of Mentor's claims for Preliminary Injunctive Relief were denied. Following that, some of the employee lawsuits were dismissed with prejudice and others dismissed without prejudice. On October 3, 2013, the last of the thirteen employee lawsuits was dismissed.

In the sole lawsuit against the Company, the Company and its employee prevailed at trial with verdicts of "no liability" rendered by the jury and judge. Final judgment in this case was entered on October 3, 2013 with the plaintiff ordered to reimburse defendants for certain court costs, and in 2014, Mentor waived its right to appeal.

In 2012, the Company filed a claim with the Hartford Insurance Company (Hartford) for reimbursement of legal costs incurred in connection with litigation with Mentor. The Company holds a D&O insurance policy with Hartford, and the Company and Hartford settled the matter in May 2014. The Company received settlement payments from Hartford of $351 and $2,129 for the year ended December 31, 2013 and the six months ended June 30, 2014, respectively.

(11) Subsequent Events

Management has evaluated all transactions and events through August 27, 2014, the date on which these financial statements were issued and did not note any items, other than those discussed below, that would adjust the financial statements or require additional disclosure.

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SIENTRA, INC.

Schedule II Valuation and Qualifying Accounts

December 31, 2012 and 2013

(In thousands)

	Balance at beginning of period	Additions charged to costs and expenses	Deductions[1]	Balance at end of period
Year ended December 31, 2012				
Allowance for sales returns	$ 95	$ 27,884	$ (23,645)	$ 4,334
Year ended December 31, 2013				
Allowance for sales returns	$ 4,334	$ 93,768	$ (89,832)	$ 8,270

(1) Amounts represent actual sales returns.

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Shares

SIENTRA, INC.

Common Stock

PROSPECTUS

Until and including , 2014 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Piper Jaffray **Stifel**

Leerink Partners **William Blair**

, 2014

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PART II
Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth an itemization of the various costs and expenses, other than the underwriting discount and commissions, expected to be incurred by us in connection with the issuance and distribution of the common stock being registered hereunder. All of the amounts shown are estimates, except for the SEC registration fee, the FINRA filing fee and the NYSE listing fee.

Item	Amount to be paid
SEC registration fee	$ 11,109
FINRA filing fee	13,438
NYSE listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Registrar and transfer agent fees	*
Miscellaneous expenses	*
Total	*

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

The Registrant is incorporated under the laws of the State of Delaware. Section 145 of the General Corporation Law of the State of Delaware provides that a Delaware corporation may indemnify any persons who were, are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who were, are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) actually and reasonably incurred.

The Registrant's amended and restated certificate of incorporation and amended and restated bylaws, each of which will become effective upon the closing of this offering, provide for the indemnification

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of its directors and officers to the fullest extent permitted under the General Corporation Law of the State of Delaware.

Section 102(b)(7) of the General Corporation Law of the State of Delaware permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

The Registrant's amended and restated certificate of incorporation includes such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by the Registrant upon delivery to it of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Registrant.

Section 174 of the General Corporation Law of the State of Delaware provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

As permitted by the General Corporation Law of the State of Delaware, the Registrant has entered into indemnity agreements with each of its directors and executive officers, that require the Registrant to indemnify such persons against any and all costs and expenses (including attorneys', witness or other professional fees) actually and reasonably incurred by such persons in connection with any action, suit or proceeding (including derivative actions), whether actual or threatened, to which any such person may be made a party by reason of the fact that such person is or was a director or officer or is or was acting or serving as an officer, director, employee or agent of the Registrant or any of its affiliated enterprises. Under these agreements, the Registrant is not required to provided indemnification for certain matters, including:

- indemnification beyond that permitted by the General Corporation Law of the State of Delaware;
- indemnification for any proceeding with respect to the unlawful payment of remuneration to the director or officer;
- indemnification for certain proceedings involving a final judgment that the director or officer is required to disgorge profits from the purchase or sale of the Registrant's stock;
- indemnification for proceedings involving a final judgment that the director's or officer's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or constituted willful misconduct or a breach of his or her duty of loyalty, but only to the extent of such specific determination;

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indemnification for proceedings or claims brought by an officer or director against us or any of the Registrant's directors, officers, employees or agents, except for (i) claims to establish a right of indemnification or proceedings, (ii) claims approved by the Registrant's board of directors, (iii) claims required by law, (iv) when there has been a change of control as defined in the indemnification agreement with each director or officer, or (v) by the Registrant in its sole discretion pursuant to the powers vested to the Registrant under Delaware law;

indemnification for settlements the director or officer enters into without the Registrant's consent; or

indemnification in violation of any undertaking required by the Securities Act or in any registration statement filed by the Registrant.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder.

Except as otherwise disclosed under the heading "Legal Proceedings" in the "Business" section of the prospectus included in this registration statement, there is at present no pending litigation or proceeding involving any of the Registrant's directors or executive officers as to which indemnification is required or permitted, and the Registrant is not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

The Registrant has an insurance policy in place that covers its officers and directors with respect to certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, or otherwise.

The Registrant plans to enter into an underwriting agreement which provides that the underwriters are obligated, under some circumstances, to indemnify the Registrant's directors, officers and controlling persons against specified liabilities, including liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

During the last three years, we sold the following unregistered securities.

(1) From March 31, 2011 to June 30, 2014, we issued and sold to our employees, directors and consultants an aggregate of 19,358 shares of common stock pursuant to option exercises under our 2007 Equity Incentive Plan at prices ranging from $0.60 to $1.45 per share for an aggregate purchase price of $22,067.

(2) From March 31, 2011 to June 30, 2014, we granted options under our 2007 Equity Incentive Plan to purchase an aggregate of 1,914,250 shares of common stock to our employees having an exercise price ranging from $1.30 to $4.00 per share for an aggregate purchase price of $3,856,713.

(3) In March 2012, pursuant to a Series C preferred stock purchase agreement, we issued and sold to investors an aggregate of 12,183,690 shares of Series C preferred stock at a purchase price of $5.335 per share for an aggregate purchase price of $65.0 million.

(4) From January 17, 2013 to December 13, 2013, we issued to Oxford warrants to purchase up to 84,350 shares of common stock, with an exercise price of the lesser of (i) the Series C preferred stock price of $5.335 per share or (ii) the price per share in a subsequent qualified round of financing where gross proceeds are greater than $10.0 million.

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(5)

In April 2014, we granted options under our 2007 Equity Incentive Plan to purchase an aggregate of 427,500 shares of common stock to our employees having an exercise price of $4.00 per share.

(6)

On June 30, 2014, we issued to Oxford warrants to purchase up to 46,860 shares of common stock, with an exercise price of the lesser of (i) the Series C preferred stock price of $5.335 per share or (ii) the price per share in a subsequent qualified round of financing where gross proceeds are greater than $10.0 million.

(7)

On July 22, 2014, we granted options under our 2007 Equity Incentive Plan to purchase an aggregate of 190,500 shares of common stock to our new directors and employees having an exercise price of $4.82 per share.

No underwriters were used in connection with any of the foregoing transactions. These issuances were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act, including in some cases, Regulation D and Rule 506 promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The purchasers of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to offer or sell, in connection with any distribution of the securities, and appropriate legends were affixed to the share certificates and instruments issued in such transactions.

Item 16. Exhibits and Financial Statement Schedules.

(a) ***Exhibits.*** See the Exhibit Index immediately following the signature page hereto, which is fully incorporated by reference as if fully set forth herein.

(b) ***Financial Statement Schedules.*** Schedule II Valuation and Qualifying Accounts is included in the registration statement beginning on page F-30.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1.

For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance

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upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Barbara, State of California, on September 19, 2014.

Sientra, Inc.
By: /s/ HANI ZEINI

Name: Hani Zeini
Title: President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose individual signature appears below hereby authorizes and appoints Hani Zeini and Matthew Pigeon, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments (including post-effective amendments) to this Registration Statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement and power of attorney have been signed by the following persons on behalf of the Registrant and in the capacities indicated on September 19, 2014.

Name	Title
/s/ HANI ZEINI Hani Zeini	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ MATTHEW PIGEON Matthew Pigeon	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
/s/ NICHOLAS SIMON Nicholas Simon	Director

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Name	Title
/s/ RISHI GUPTA Rishi Gupta	Director
/s/ TIMOTHY HAINES Timothy Haines	Director
/s/ R. SCOTT GREER R. Scott Greer	Director
/s/ KEVIN O'BOYLE Kevin O'Boyle	Director
/s/ JEFFREY NUGENT Jeffrey Nugent	Director

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EXHIBIT INDEX

Exhibit No.	Exhibit Description
1.1*	Form of Underwriting Agreement.
3.1	Fourth Amended and Restated Certificate of Incorporation, as amended and as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation to become effective upon closing of this offering.
3.3	Bylaws, as currently in effect.
3.4*	Form of Amended and Restated Bylaws to become effective upon closing of this offering.
4.1*	Form of Common Stock Certificate.
4.2	Amended and Restated Investor Rights Agreement, dated March 28, 2012, by and among Sientra, Inc., and the investors and stockholders party thereto.
4.3	Warrant to Purchase Stock issued to Oxford Finance LLC, dated January 17, 2013.
4.4	Warrant to Purchase Stock issued to Oxford Finance LLC, dated January 17, 2013.
4.5	Warrant to Purchase Stock issued to Oxford Finance LLC, dated August 1, 2013.
4.6	Warrant to Purchase Stock issued to Oxford Finance LLC, dated August 1, 2013.
4.7	Warrant to Purchase Stock issued to Oxford Finance LLC, dated December 13, 2013.
4.8	Warrant to Purchase Stock issued to Oxford Finance LLC, dated December 13, 2013.
4.9	Warrant to Purchase Stock issued to Oxford Finance LLC, dated June 30, 2014.
4.10	Warrant to Purchase Stock issued to Oxford Finance LLC, dated June 30, 2014.
5.1*	Opinion of Cooley LLP.
10.1#	Form of Indemnity Agreement by and between Sientra, Inc. and its directors and officers.
10.2#	2007 Equity Incentive Plan, as amended, and forms of award agreements thereunder.
10.3#*	2014 Equity Incentive Plan and forms of award agreements thereunder to become effective upon closing of this offering.
10.4#	2014 Non-Employee Director Compensation Policy.
10.6	Multi-Purpose Commercial Building Lease, dated March 28, 2014, by and between Sientra, Inc. and Fairview Business Center, L.P.
10.7	Amended and Restated Loan and Security Agreement, dated as of June 30, 2014, by and between Sientra, Inc. and Oxford Finance LLC.
10.8	Amended and Restated Exclusivity Agreement, dated April 4, 2007, by and between Sientra, Inc. (formerly, Juliet Medical, Inc.) and Silimed Industria de Implantes Ltda. (formerly, Silimed-Silicone e Instrumental Medico-Cirugio e Hospitalar Ltda.).

10.9	Amendment No. 1 to Amended and Restated Exclusivity Agreement, dated May 12, 2010, by and between Sientra, Inc. (formerly, Juliet Medical, Inc.) and Silimed Industria de Implantes Ltda. (formerly, Silimed-Silicone e Instrumental Medico-Cirugio e Hospitalar Ltda.).
10.10	Amendment No. 2 to Amended and Restated Exclusivity Agreement, dated November 8, 2013, by and between Sientra, Inc. (formerly, Juliet Medical, Inc.) and Silimed Industria de Implantes Ltda. (formerly, Silimed-Silicone e Instrumental Medico-Cirugio e Hospitalar Ltda.).

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Exhibit No.	Exhibit Description
10.11#	Offer Letter to R. Scott Greer, dated July 9, 2014.
10.12#	Offer Letter to Kevin O'Boyle, dated July 9, 2014.
10.13#	Offer Letter to Jeffrey Nugent, dated July 9, 2014.
21.1	List of Subsidiaries.
23.1	Consent of KPMG LLP, an independent registered public accounting firm.
23.2*	Consent of Cooley LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included in signature page to this Registration Statement).

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* To be filed by amendment.

Confidential treatment has been requested for portions of this exhibit. These portions were omitted from the Registration Statement and submitted separately to the Securities and Exchange Commission.

\# Indicates a management contract or compensatory plan or arrangement.