

SEATTLE GENETICS INC /WA
Form DEF 14A
April 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Seattle Genetics, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

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Date Filed:

April 7, 2014

Dear Seattle Genetics Stockholders:

On behalf of Seattle Genetics, Inc., I cordially invite you to attend our 2014 Annual Meeting of Stockholders to be held on Friday, May 16, 2014, at 11:00 a.m., local time, at our principal offices located at 21823 30th Drive SE, Bothell, WA 98021.

Enclosed are the following:

Our Notice of Annual Meeting of Stockholders and Proxy Statement (which includes a notice of Internet availability of our proxy materials);

Our 2013 Annual Report to Stockholders; and

A proxy card with a return envelope to record your vote.

Details regarding the business to be conducted at the Annual Meeting are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement.

Your vote is important. Whether or not you plan to attend the Annual Meeting, it is important that your shares are represented. Please read the enclosed Proxy Statement and vote by Internet, by telephone or by marking, dating, signing and returning the enclosed proxy card as promptly as possible in the postage-prepaid envelope provided. Of course, if you attend the Annual Meeting, you will have the right to vote your shares in person.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in Seattle Genetics. We look forward to seeing you at the Annual Meeting.

Sincerely,

Clay B. Siegall, Ph.D.

President and Chief Executive Officer

YOUR VOTE IS IMPORTANT

There are three ways to vote: by Internet, by telephone or by marking, dating and signing the enclosed proxy card and mailing it promptly in the enclosed return envelope.

21823 30TH DRIVE SE

BOTHELL, WA 98021

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 16, 2014

The 2014 Annual Meeting of Stockholders (the Annual Meeting) of Seattle Genetics, Inc., a Delaware corporation (Seattle Genetics or the Company), will be held on Friday, May 16, 2014 at 11:00 a.m. local time at the principal offices of Seattle Genetics located at 21823th Drive SE, Bothell, Washington 98021, for the following purposes:

1. To elect the four nominees for director named in the accompanying proxy statement to hold office until the Company's 2017 Annual Meeting of Stockholders.
2. To approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan to increase the aggregate number of shares of common stock authorized for issuance thereunder by 4,500,000 shares and to make certain other changes thereto as described in the accompanying proxy statement.
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014.
4. To approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the accompanying proxy statement.
5. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof. You can find more information about each of these items, including the nominees for directors, in the attached proxy statement.

The Board of Directors has fixed the close of business on March 21, 2014 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

We cordially invite all stockholders to attend the Annual Meeting in person. However, whether or not you expect to attend the Annual Meeting in person, please ensure your representation and the presence of a quorum at the Annual Meeting by voting by Internet, by telephone or by marking, dating, signing and returning the enclosed proxy card as promptly as possible in the postage-prepaid envelope provided. If you vote by Internet, by telephone or by sending in your proxy card, but then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures described in the attached proxy statement. Please note that if your shares are held in an account by your stockbroker, bank, or other nominee and you wish to vote at the Annual Meeting, you must notify your broker, bank or other nominee and obtain the proper documentation.

By Order of the Board of Directors,

Eric L. Dobmeier

Corporate Secretary

Bothell, Washington

April 7, 2014

YOUR VOTE IS IMPORTANT

There are three ways to vote: by Internet, by telephone or by marking, dating and signing the enclosed proxy card and mailing it promptly in the enclosed return envelope.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 16, 2014 at 21823 30 Drive SE, Bothell, Washington 98021

The proxy statement and annual report to stockholders are available at

<http://materials.proxyvote.com/812578>

SEATTLE GENETICS, INC.

PROXY STATEMENT FOR THE

2014 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 16, 2014

Our Board of Directors is soliciting proxies for the 2014 Annual Meeting of Stockholders. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

The Board has set the close of business on March 21, 2014 as the record date for the Annual Meeting. Stockholders of record who owned our common stock on that date are entitled to vote at and attend the Annual Meeting. Each share of common stock is entitled to one vote. There were 123,109,392 shares of common stock outstanding on the record date.

Voting materials, which include this proxy statement, a proxy card and our 2013 Annual Report, are being mailed to stockholders on or about April 7, 2014. This proxy statement and our 2013 Annual Report are also available on the Internet at <http://materials.proxyvote.com/812578>.

In this proxy statement:

We, us, our and Seattle Genetics refer to Seattle Genetics, Inc.;

Annual Meeting means our 2014 Annual Meeting of Stockholders;

Board of Directors or Board means our Board of Directors; and

SEC means the Securities and Exchange Commission.

We have summarized below important information with respect to the Annual Meeting.

TIME AND PLACE OF THE ANNUAL MEETING

The Annual Meeting is being held on Friday, May 16, 2014 at 11:00 a.m. local time at our principal offices located at 21823 30th Drive SE, Bothell, Washington 98021. Directions to our principal offices may be found at www.seattlegenetics.com.

All stockholders who owned shares of our stock as of March 21, 2014, the record date, may attend and vote on the proposals considered at the Annual Meeting.

PURPOSE OF THE PROXY STATEMENT AND PROXY CARD

You are receiving this proxy statement and proxy card from us because you owned shares of our common stock on March 21, 2014, the record date. This proxy statement describes the proposals on which we would like you, as a stockholder, to vote. It also gives you information on these proposals so that you can make an informed decision.

When you sign the proxy card, you appoint Clay B. Siegall and Eric L. Dobmeier as your representatives at the Annual Meeting. At the Annual Meeting, Clay B. Siegall and Eric L. Dobmeier will vote your shares as you have instructed them on the proxy card. This way, your shares will be voted whether or not you attend the Annual Meeting. Even if you plan to attend the Annual Meeting it is a good idea to complete, sign and return your proxy card in advance of the Annual Meeting in the event your plans change.

PROPOSALS TO BE VOTED ON AT THIS YEAR'S ANNUAL MEETING

At the Annual Meeting, there are four matters scheduled for a vote:

to elect the four nominees for director named in this proxy statement to hold office until our 2017 Annual Meeting of Stockholders;

to approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan, or the 2007 Plan, to increase the aggregate number of shares of common stock authorized for issuance thereunder by 4,500,000 shares and to make certain other changes thereto as described in this proxy statement;

to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and

to approve, on an advisory basis, the compensation of our named executive officers as disclosed in this proxy statement.

The Board of Directors recommends a vote **FOR** all of the nominees named herein for director and a vote **FOR** each of the other proposals.

VOTING OPTIONS

You may vote by mail.

To vote by mail, please sign your proxy card and return it in the enclosed, prepaid and addressed envelope. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct. If you hold your shares in street name, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Seattle Genetics. Holding shares in street name means your shares of stock are held in an account by your stockbroker, bank or other nominee, and the stock certificates and record ownership are not in your name.

You may vote in person at the Annual Meeting.

We will distribute written ballots to anyone who wants to vote at the Annual Meeting. If your shares are held in street name and you wish to vote your shares at the Annual Meeting, you must notify your broker, bank or other nominee and obtain a valid proxy from your broker, bank or other nominee.

You may vote by telephone or electronically via the Internet.

If you are a stockholder of record, to submit your proxy by telephone or via the Internet, follow the instructions on the proxy card. If you hold your shares in street name, you may vote by telephone or via the Internet as instructed by your broker, bank or other nominee.

You may change your mind after you have returned your proxy or submitted your proxy by telephone or via the Internet.

If you change your mind after you return your proxy or submit your proxy by telephone or via the Internet and you are a stockholder of record, you may revoke your proxy at any time before the polls close at the Annual Meeting. You may do this by:

signing another proxy with a later date;

submitting a new proxy by telephone;

submitting a new proxy via the Internet; or

voting in person at the Annual Meeting.

If your shares are held in street name, you should follow the instructions provided by your broker, bank or other nominee.

MULTIPLE PROXY CARDS

If you received more than one proxy card, it means that you hold shares in more than one account. Please sign and return all proxy cards to ensure that all your shares are voted.

QUORUM REQUIREMENT

Shares are counted as present at the Annual Meeting if a stockholder of record either:

is present and votes in person at the Annual Meeting; or

has properly submitted a proxy card.

A majority of our outstanding shares of common stock as of the record date must be present at the Annual Meeting (either in person or by proxy) in order to hold the Annual Meeting and conduct business. This is called a quorum.

CONSEQUENCES OF NOT RETURNING YOUR PROXY; ABSTENTIONS AND BROKER NON-VOTES

If your shares are held in your name, you must return your proxy (or submit your proxy by telephone or via the Internet or attend the Annual Meeting in person) in order to vote on the proposals. If the shares you own are held in street name by a brokerage firm, your brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your brokerage firm provides you. Many brokers also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your brokerage firm on your vote instruction form. Under the current rules that govern brokers, if you do not give instructions to your brokerage firm, it will still be able to vote your shares, but only with respect to proposals for which it has discretionary voting authority. A broker non-vote occurs when a broker or other holder of record holding shares for a beneficial owner submits a proxy for the Annual Meeting but does not vote on a particular proposal because that holder does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

The election of directors (Proposal No. 1), the amendment and restatement of the 2007 Plan (Proposal No. 2) and the advisory vote on the compensation of our named executive officers (Proposal No. 4) are proposals for which brokers do not have discretionary voting authority. If you do not instruct your broker how to vote with respect to these proposals, your broker may not vote with respect to these proposals and those non-votes will be counted as broker non-votes. The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3) is considered to be discretionary and your brokerage firm will be able to vote on Proposal No. 3 even if it does not receive instructions from you, so long as it holds your shares in its name.

Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes are not counted for the purpose of determining the number of votes cast and will therefore not have any effect with respect to any of the proposals.

We encourage you to provide instructions to your brokerage firm by voting your proxy. This ensures that your shares will be voted at the Annual Meeting.

REQUIRED VOTES

Assuming that a quorum is present at the Annual Meeting, the following votes will be required:

With respect to the election of directors (Proposal No. 1), the four nominees receiving the highest number of FOR votes (from the holders of shares present in person or represented by proxy) will be elected as directors.

With respect to the vote on the amendment and restatement of the 2007 Plan (Proposal No. 2) to increase the aggregate number of shares of common stock authorized for issuance thereunder by 4,500,000 shares and to make certain other changes thereto as described in this proxy statement, approval will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

With respect to the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3), approval will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

With respect to the advisory vote on the compensation of our named executive officers as disclosed in this proxy statement (Proposal No. 4), approval will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. We believe that the procedures to be used by the Inspector of Election to count the votes are consistent with Delaware law concerning voting of shares and determination of a quorum.

VOTE SOLICITATIONS AND PROXY SOLICITOR

The Board of Directors of Seattle Genetics is soliciting your proxy to vote your shares at the Annual Meeting. We have retained the services of Alliance Advisors LLC, a professional proxy solicitation firm, to aid in the solicitation of proxies. In addition to this solicitation by mail, Alliance Advisors and our directors, officers and other employees may contact you by telephone, via the Internet, in person or otherwise to obtain your proxy. Our directors, officers and other employees will not receive any additional compensation for assisting in the solicitation, but we expect that we will pay Alliance Advisors its customary fees, estimated not to exceed approximately \$14,000 in the aggregate, plus reasonable out-of-pocket expenses incurred in the process of soliciting proxies. We will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners. We will reimburse these entities and our transfer agent for their reasonable out-of-pocket expenses in forwarding proxy materials.

VOTING PROCEDURES

Votes cast by proxy or in person at the Annual Meeting will be tabulated by a representative of Computershare Shareowner Services LLC, our transfer agent, who will act as the Inspector of Election. The Inspector of Election will also determine whether a quorum is present at the Annual Meeting.

The shares represented by the proxy cards received, properly marked, dated, signed and not revoked and votes properly cast by telephone or Internet, will be voted at the Annual Meeting. If the proxy card specifies a choice with respect to any matter to be acted on, the shares will be voted in accordance with that specified choice. If you return a signed and dated proxy card without marking voting selections or if you do not specify your vote on each proposal individually when voting by telephone or the Internet, then your shares will be voted as follows:

FOR all of the director nominees named herein (Proposal No. 1);

FOR the approval of the amendment and restatement of the 2007 Plan to increase the aggregate number of shares of common stock authorized for issuance thereunder by 4,500,000 shares and to make certain other changes thereto as described in this proxy statement (Proposal No. 2);

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3); and

FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement (Proposal No. 4). If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his best judgment.

PUBLICATION OF VOTING RESULTS

We will announce preliminary voting results at the Annual Meeting. We will publish the final results in a current report on Form 8-K, which we expect to file with the SEC within four business days of the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results. You can obtain a copy of any of these filings on our website at www.seattlegenetics.com, by contacting our Investor Relations Department at (425) 527-4000, by calling the SEC at (800) 732-0330 for information regarding its public reference room or through the EDGAR system at www.sec.gov.

OTHER BUSINESS

We do not know of any business to be considered at the Annual Meeting other than the proposals described in this proxy statement. If any other business is properly presented at the Annual Meeting, your signed proxy card gives authority to Clay B. Siegall and Eric L. Dobmeier to vote on such matters at their discretion.

PROPOSALS FOR 2015 ANNUAL MEETING

To have your proposal included in our proxy statement for the 2015 Annual Meeting, you must submit your proposal in writing by December 8, 2014 to Eric L. Dobmeier, Corporate Secretary, Seattle Genetics, 21823 30th Drive SE, Bothell, Washington 98021, and you must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. However, if the 2015 Annual Meeting is not held between April 16, 2015 and June 15, 2015, then the deadline will be a reasonable time prior to the time we begin to print and send our proxy materials.

Proposals of stockholders and director nominations intended to be considered at the 2015 Annual Meeting but not included in our proxy statement for that meeting must be received at the above address no earlier than January 16, 2015 and no later than February 14, 2015; provided, however, that in the event the date of the 2015 Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from the date of this year's Annual Meeting, and less than 60 days' notice is given prior to the 2015 Annual Meeting, then such proposal must be received not later than the 10th day following the day on which public announcement of the date of such meeting is first made. We also advise you to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. A stockholder's notice to our Corporate Secretary must set forth the information required by our bylaws with respect to each matter the stockholder proposes to bring before the 2015 Annual Meeting. The Chairman of the 2015 Annual Meeting may determine, if the facts warrant, that a matter has not been properly brought before the meeting and, therefore, may not be considered at the meeting. In addition, the proxy solicited by the Board of Directors for the 2015 Annual Meeting will confer discretionary voting authority with respect to (i) any proposal presented by a stockholder at that meeting for which Seattle Genetics has not been provided with timely notice and (ii) any proposal made in accordance with our bylaws, if the 2015 proxy statement briefly describes the matter and how management proxy holders intend to vote on it, if the stockholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Securities Exchange Act of 1934.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Fourth Amended and Restated Certificate of Incorporation provides that the Board of Directors is divided into three approximately equal classes with staggered three-year terms. As a result, approximately one-third of the total number of directors will be elected every year.

Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors or by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of our voting stock, provided that newly created directorships resulting from any increase in the number of directors will, unless the Board determines by resolution that any such directorships shall be filled by stockholders, be filled only by a majority of the remaining directors. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the number of directors) will serve for the remainder of the full term of the class of directors in which the vacancy occurred.

The Board of Directors is presently composed of ten members. The Class I directors, whose terms expire at the 2014 Annual Meeting, are John A. Orwin, Srinivas Akkaraju, David W. Gryska and John P. McLaughlin. The Class II directors, whose terms expire at the 2015 Annual Meeting, are Clay B. Siegall, Felix Baker and Nancy A. Simonian. The Class III directors, whose terms expire at the 2016 Annual Meeting, are Marc E. Lippman, Franklin M. Berger and Daniel G. Welch. Our stockholders only elect one class of directors at each annual meeting. The other classes continue to serve for the remainder of their three-year terms.

John A. Orwin, Srinivas Akkaraju, David W. Gryska and John P. McLaughlin have been recommended by the Nominating and Corporate Governance Committee of the Board of Directors for election at the Annual Meeting and have been nominated by the Board for election at the Annual Meeting as Class I directors for three-year terms expiring at the 2017 Annual Meeting. Each of these nominees is currently a director who, with the exception of Mr. Orwin, was previously elected by the stockholders. Mr. Orwin was recommended as a director to our Nominating and Corporate Governance Committee by our Chief Executive Officer.

John A. Orwin, Srinivas Akkaraju, David W. Gryska and John P. McLaughlin are elected by receiving the greatest number of votes cast for their election by holders of common stock that are present in person or represented by proxy at the meeting.

Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the four nominees named herein. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence such shares will be voted for the election of such substitute nominees as the Nominating and Corporate Governance Committee may propose. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve.

NOMINEES FOR THE BOARD OF DIRECTORS; CONTINUING DIRECTORS; RETIRING DIRECTOR

The names of the nominees and of the directors whose terms of office will continue after the Annual Meeting, their ages as of May 16, 2014, and certain other information about them are set forth below. The Nominating and Corporate Governance Committee seeks to assemble a Board that, as a group, provides a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. To that end, the Nominating and Corporate Governance Committee has identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting and retaining members who complement and strengthen the skills of the other members of the Board and who also exhibit integrity, collegiality, sound business judgment and other qualities that the Nominating and Corporate Governance Committee views as critical to effective functioning of the Board. The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience,

qualifications, attributes or skills of each nominee and continuing director that led the Nominating and Corporate Governance Committee and the Board to believe that such nominee or continuing director should continue to serve on the Board as of the date of this proxy statement.

Director Nominee	Age	Company Positions/Offices	Director Since	Term Expires
John A. Orwin	49	Director	January 2014	2014
Srinivas Akkaraju, M.D., Ph.D.	46	Director	July 2003	2014
David W. Gryska (1) (2)	58	Director	March 2005	2014
John P. McLaughlin (2) (3)	62	Director	June 2007	2014
Continuing Directors	Age	Company Positions/Offices	Director Since	Term Expires
Clay B. Siegall, Ph.D.	53	President, Chief Executive Officer and Chairman of the Board	December 1997	2015
Felix Baker, Ph.D. (1) (3)	45	Lead Independent Director	July 2003	2015
Nancy A. Simonian, M.D. (3)	53	Director	March 2012	2015
Marc E. Lippman, M.D.	69	Director	June 2000	2016
Franklin M. Berger (2)	64	Director	June 2004	2016 (4)
Daniel G. Welch (1)	55	Director	June 2007	2016

(1) Current member of the Compensation Committee.

(2) Current member of the Audit Committee.

(3) Current member of the Nominating and Corporate Governance Committee.

(4) Mr. Berger has notified our Board of Directors of his resignation from the Board, which resignation will be effective immediately following the Annual Meeting. Following the effectiveness of his resignation, there will be one vacancy in the class of directors whose term expires at the 2016 Annual Meeting of Stockholders.

There are no family relationships among any of the directors or executive officers of Seattle Genetics.

DIRECTOR NOMINEE PROFILES

John A. Orwin Mr. Orwin has served as one of our directors since January 2014. Since June 2013, he has served as Chief Executive Officer and member of the Board of Relypsa, Inc., a publicly-traded clinical-stage pharmaceutical company. Prior to Relypsa, Mr. Orwin served as President and Chief Operating Officer of Affymax, Inc., a biotechnology company, from April 2010 to January 2011, and as their Chief Executive Officer and a member of their board of directors from February 2011 to May 2013. From 2005 to April 2010, Mr. Orwin served as Vice President and then Senior Vice President of the BioOncology Business Unit at Genentech, Inc. (now a member of the Roche Group), a biotechnology company, where he was responsible for all marketing, sales, business unit operations and pipeline brand management for Genentech's oncology portfolio in the United States. From 2001 to 2005, Mr. Orwin served in various executive-level positions at Johnson & Johnson, a life sciences company, overseeing oncology therapeutic commercial and portfolio expansion efforts in the U.S. Prior to such roles, Mr. Orwin held senior marketing and sales positions at various life sciences and pharmaceutical companies, including Alza Corporation (acquired by Johnson & Johnson), Sangstat Medical Corporation (acquired by Genzyme), Rhone-Poulenc Rorer Pharmaceuticals, Inc. (merged with Sanofi-Aventis) and Schering-Plough Corporation (merged with Merck). Mr. Orwin serves as a member of the board of directors of Array BioPharma Inc., a biopharmaceutical company, and served on the board of directors of NeurogesX, Inc., a biopharmaceutical company, until July 2013. Mr. Orwin received an M.B.A. from New York University and a B.A. from Rutgers University. As a current and former senior executive of several other biotechnology companies, Mr. Orwin possesses a strong understanding of the biotechnology industry and the challenges we must meet in order to continue developing and commercializing ADCETRIS and our product candidates.

Srinivas Akkaraju, M.D., Ph.D. Dr. Akkaraju has served as one of our directors since July 2003. Since April 2013, Dr. Akkaraju has been General Partner of Sofinnova Ventures. From January 2009 to April 2013, Dr. Akkaraju served as Managing Director of New Leaf Venture Partners. From August 2006 to December 2008, Dr. Akkaraju served as a Managing Director at Panorama Capital, LLC, a private equity firm founded by the former venture capital investment team of J.P. Morgan Partners, LLC, a private equity division of JPMorgan Chase & Co. Panorama Capital advised J.P. Morgan Partners as to its investment in Seattle Genetics. Prior to co-founding Panorama Capital, he was with J.P. Morgan Partners, which he joined in April 2001 and of which he became a Partner in January 2005. From October 1998 to April 2001, he was in Business and Corporate Development at Genentech, Inc. (now a member of the Roche Group), a biotechnology company, most recently as Senior Manager. Prior to joining Genentech, Dr. Akkaraju was a graduate student at Stanford University, where he received an M.D. and a Ph.D. in Immunology. He received his undergraduate degrees in Biochemistry and Computer Science from Rice University. In addition to Seattle Genetics, Dr. Akkaraju serves as a director of Intercept Pharmaceuticals, Inc., a publicly traded biotechnology company. Previously, Dr. Akkaraju served as a director on the boards of Versartis, Inc., Barrier Therapeutics, Inc., Eyetech Pharmaceuticals, Inc. and Synageva Biopharma Corp., all publicly traded biotechnology companies, and Amarin Corporation plc, a foreign publicly traded biotechnology company. Dr. Akkaraju has a strong scientific background coupled with extensive experience in private equity and venture capital investing from his work at J.P. Morgan, Panorama Capital, New Leaf and Sofinnova. This combination allows for Dr. Akkaraju to thoroughly understand our technology and provide strong business and strategic expertise.

David W. Gryska Mr. Gryska has served as one of our directors since March 2005. From May 2012 to December 2012, Mr. Gryska served as Chief Operating Officer and from August 2012 to December 2012, interim Chief Executive Officer of Myrexix Inc., a public biotechnology company. From December 2006 to October 2010, he served as Senior Vice President and Chief Financial Officer of Celgene Corporation. From October 2004 to December 2006, he was a principal at Strategic Consulting Group, where he provided strategic consulting to early-stage biotechnology companies. Mr. Gryska served at Scios, Inc., a biopharmaceutical company, as Senior Vice President and Chief Financial Officer from November 2000 to October 2004, and as Vice President of Finance and Chief Financial Officer from December 1998 to November 2000. Scios was acquired by Johnson & Johnson in 2003. From 1993 to December 1998, he served as Vice President, Finance and Chief Financial Officer at Cardiac Pathways Corporation, a medical device company which was later acquired by Boston Scientific Corporation. Prior to Cardiac Pathways, Mr. Gryska served as a partner at Ernst & Young LLP, an accounting firm. During his eleven years at Ernst & Young LLP, he focused on technology industries, with an emphasis on biotechnology and healthcare companies. Mr. Gryska holds a B.A. in accounting and finance from Loyola University and an M.B.A. from Golden Gate University. In addition to Seattle Genetics, Mr. Gryska serves on the board of Aerie Pharmaceuticals, Inc., Argos Therapeutics, Inc. and PDL BioPharma, Inc. With his years of experience as Chief Financial Officer, at Celgene, Scios, and Cardiac Pathways, Mr. Gryska brings to the Board of Directors valuable and relevant experience as a senior financial executive at life sciences and biotechnology companies dealing with financings, mergers, acquisitions and global expansion and other strategic transactions. He also has extensive knowledge of accounting principles and financial reporting rules and regulations, tax compliance and oversight of the financial reporting processes of several large, publicly traded corporations, which assists Mr. Gryska in fulfilling his duties as chair of our Audit Committee.

John P. McLaughlin Mr. McLaughlin has served as one of our Directors since June 2007. Since December 2008, Mr. McLaughlin has been President and Chief Executive Officer of PDL BioPharma, Inc., a publicly-traded biotechnology company. Previously he was Chief Executive Officer and a member of the Board of Directors of Anesiva, Inc., a biotechnology company, from January 2000 to June 2008. Prior to Anesiva, he was President of Tularik Inc., and before that spent 11 years at Genentech, Inc. in a number of senior management positions including Executive Vice President. Previously, Mr. McLaughlin represented pharmaceutical companies as a partner in a Washington, D.C. law firm that specializes in food and drug law and served as legal counsel to various subcommittees at the U.S. House of Representatives, drafting numerous measures that became U.S. Food and Drug Administration laws. Mr. McLaughlin was also co-founder, a director

and Chairman of the Board of Eyetech Pharmaceuticals, Inc., which was acquired by OSI Pharmaceuticals in 2005. He was also a director and co-founder of Peak Surgical, Inc., a privately-held medical device company, which was acquired by Medtronic, Inc., a global medical device company. He is a director of PDL BioPharma, Inc. and AxoGen, Inc., a publicly-traded biotechnology company, and Avalanche Biotechnologies, Inc., a privately-held biotechnology company. In addition, Mr. McLaughlin previously served as a director of Anesiva, Inc., which was a publicly-traded company during Mr. McLaughlin's service as a director. Mr. McLaughlin earned a B.A. from the University of Notre Dame and a J.D. from the Catholic University of America. As the current CEO of a biotechnology company and former senior executive of several other biotechnology companies, Mr. McLaughlin possesses a strong understanding of the biotechnology industry and the competitive landscape that we must address in order to commercialize our product candidates. In addition, his past experience representing pharmaceutical companies in food and drug law and his contributions to pharmaceutical legislation add a unique perspective that is valuable to our senior management.

THE BOARD RECOMMENDS A VOTE FOR ALL OF

THE NOMINEES FOR DIRECTOR NAMED ABOVE.

CONTINUING DIRECTOR PROFILES

Clay B. Siegall, Ph.D. Dr. Siegall co-founded Seattle Genetics in 1997. He has served as our Chief Executive Officer since November 2002, as our President since June 2000, as one of our directors since December 1997 and as our Board chairman since March 2004. Dr. Siegall also served as our Chief Scientific Officer from December 1997 until November 2002. Prior to co-founding Seattle Genetics, Dr. Siegall was with the Bristol-Myers Squibb Pharmaceutical Research Institute from 1991 to 1997, most recently as a Principal Scientist. From 1988 to 1991, Dr. Siegall was a Staff Fellow/Biotechnology Fellow at the National Cancer Institute, National Institutes of Health. Dr. Siegall received a Ph.D. in Genetics from George Washington University and a B.S. in Zoology from the University of Maryland. In addition to Seattle Genetics, Dr. Siegall serves as a director of Ultragenyx Pharmaceutical Inc., a publicly-traded biotechnology company, Alder BioPharmaceuticals, Inc., a privately-held biotechnology company and Mirna Therapeutics, Inc., a privately-held biotechnology company. Dr. Siegall's experience in founding and building Seattle Genetics is integral to our company and its mission. His scientific understanding along with his corporate vision and operational knowledge provide strategic guidance to our management team and the Board of Directors.

Felix Baker, Ph.D. Dr. Baker has served as one of our directors since July 2003 and as our lead independent director since February 2005. Dr. Baker is a Managing Partner of Baker Brothers Investments which he and his brother, Julian Baker, founded in 2000. Dr. Baker's firm manages Baker Brothers Investments, a family of long-term investment funds for major university endowments and foundations, which are focused on publicly traded life sciences companies. Dr. Baker's career as a fund-manager began in 1994 when he co-founded a biotechnology investing partnership with the Tisch Family. Dr. Baker holds a B.S. and a Ph.D. in Immunology from Stanford University, where he also completed two years of medical school. In addition to Seattle Genetics, Dr. Baker currently serves as a director Synageva, Inc. and Genomic Health, Inc., both of which are publicly-traded biotechnology companies. In addition, Dr. Baker previously served as a director of Ardea BioScience, Inc., AnorMED Inc., Conjuchem, Inc., Neurogen Corporation and Trimeris, Inc., all of which were publicly-traded companies during Dr. Baker's service as a director. As a board member and investor in many successful biotechnology companies, Dr. Baker is able to draw on his experience and vision in investing in and building companies to add significant value to Board of Director discussions and company strategy.

Nancy A. Simonian, M.D. Dr. Simonian has served as one of our directors since March 2012. Since July 2012, Dr. Simonian has served as the Chief Executive Officer of Syros Pharmaceuticals, Inc., a privately held life science company focused on gene control therapeutics. From 2001 to October 2011, Dr. Simonian was with Millennium Pharmaceuticals, Inc.: The Takeda Oncology Company, most recently serving as Chief Medical Officer and Senior Vice President of Clinical, Medical and Regulatory Affairs. From 1995 to 2001, Dr. Simonian was at Biogen (now Biogen Idec) and most recently served as Vice President of Clinical Research where she was responsible for clinical development and medical affairs of the neurology and oncology pipeline, including Avonex® and Tysabri®. Dr. Simonian previously served as a director of the Personalized Medicine Coalition and ArQule, Inc., a publicly traded biotechnology company. Prior to joining the pharmaceutical industry, Dr. Simonian was on the faculty of Massachusetts General Hospital and Harvard Medical School as an assistant professor of neurology. She received a B.A. in Biology from Princeton University and an M.D. from the University of Pennsylvania Medical School. As a current and former senior executive of several other biotechnology companies, Dr. Simonian possesses a strong understanding of the biotechnology industry and the challenges that we must meet in order to develop and commercialize our product candidates.

Marc E. Lippman, M.D. Dr. Lippman has served as one of our directors since June 2000. Since May 2007, Dr. Lippman has served as the Kathleen and Stanley Glaser Professor of Medicine at the University of Miami Leonard M. Miller School of Medicine. Dr. Lippman is also the Deputy Director of the Sylvester Comprehensive Cancer Center of University of Miami Leonard M. Miller School of Medicine. Previously, from February 2001 to May 2007 he served as the John G. Searle Professor and Chairman of the Department of Internal Medicine at the University of Michigan School of Medicine. Previously, Dr. Lippman was the Director of the Lombardi Cancer Research Center from July 1988 to February 2001, Professor and Chairman of the Department of Oncology from July 1999 to February 2001 and Professor of Medicine at Georgetown University

Medical School in Washington, D.C. from July 1988 to February 2001. He also served as Chief of the Division of Hematology-Oncology at Georgetown University Medical School from July 1995 to February 2001. He was Head of the Medical Breast Cancer Section of the Medicine Branch of the National Cancer Institute from July 1976 to July 1988. Dr. Lippman has authored over 400 peer-reviewed publications and one of the standard texts on breast cancer. He is a director of Ascenta Therapeutics, Inc., a privately-held biotechnology company. He received a B.A., magna cum laude, from Cornell and an M.D. from Yale where he was elected to Alpha Omega Alpha. Dr. Lippman's extensive experience in treating patients and conducting oncology research at the National Cancer Institute and at the medical schools of the University of Miami, the University of Michigan and Georgetown University provides an important patient perspective and focus on innovation in our development of antibody-based therapies.

Daniel G. Welch Mr. Welch has served as one of our Directors since June 2007. Since September 2003, Mr. Welch has been Chief Executive Officer and President of InterMune, Inc., a biotechnology company and in May 2007, he assumed the additional role of Chairman of the Board of InterMune. Before joining InterMune, he was Chairman and Chief Executive Officer of Triangle Pharmaceuticals from 2002 to 2003, which was acquired by Gilead in 2003. Prior to that, he was President of Biopharmaceuticals at Elan Corporation from 2000 to 2002. During his tenure at Elan he was responsible for its U.S. commercial operations, international subsidiaries, R&D and diagnostics businesses. From 1987 to 2000, Mr. Welch served in various senior management roles at Sanofi-Synthelabo, now Sanofi-Aventis, including Vice President of Worldwide Marketing and Chief Operating Officer of the U.S. business. Mr. Welch holds a B.A. from the University of Miami and an M.B.A. from the University of North Carolina. In addition to Seattle Genetics, Mr. Welch serves as a director of InterMune, Hyperion Therapeutics, Inc., a publicly-traded biotechnology company and Corium International, Inc., a privately-held biotechnology company. Mr. Welch's global commercial background and strong senior executive experience at a wide range of biotechnology companies, including currently serving as CEO of a publicly traded biotechnology company, gives him insight into the strategy and planning for a biopharmaceutical company that is valuable to our senior management as well as the other members of our Board of Directors.

RETIRING DIRECTOR

Franklin M. Berger, CFA Mr. Berger has served as one of our directors since June 2004. As noted above, Mr. Berger has notified our Board of Directors of his resignation from the Board, effective immediately following the Annual Meeting. Mr. Berger is a biotechnology industry analyst with over 25 years of experience in capital markets and financial analysis. He served most recently at Sectoral Asset Management as a founder of the small-cap focused NEMO Fund from 2007 through June 2008. Previously, he served as Managing Director, Equity Research and Senior Biotechnology Analyst at J.P. Morgan Securities from May 1998 to March 2003. In this position, he initiated team coverage of 26 biotechnology companies and was responsible for technical, scientific and clinical due diligence as well as company selection. Mr. Berger served in similar capacities at Salomon Smith Barney from August 1997 to May 1998 and at Josephthal & Co. from November 1991 to August 1997. He holds an M.B.A. from the Harvard Graduate School of Business Administration and an M.A. in International Economics and a B.A. in International Relations both from Johns Hopkins University. In addition to Seattle Genetics, Mr. Berger serves as a director of BELLUS Health, Inc. and Five Prime Therapeutics, Inc., both publicly-traded biotechnology companies. In addition, Mr. Berger previously served as a director of VaxGen, Inc., Isotechnika, Inc., Thallion Pharmaceuticals Inc., and Emisphere Technologies, Inc., all of which were publicly-traded companies during Mr. Berger's service as a director. Mr. Berger's financial background and experience as a business and financial consultant to pharmaceutical and biotechnology firms, and as an equity analyst in the biotechnology industry, combined with his experience serving on the boards of directors of multiple public companies was important to our strategic planning and financing activities as well as providing valuable experience in his role as a member of our Audit Committee.

EXECUTIVE OFFICERS

The executive officers of Seattle Genetics who are not also directors of Seattle Genetics, their ages as of May 16, 2014 and certain other information about them are set forth below:

Name of Non-Director Executive Officers	Age	Company Positions/Offices
Todd E. Simpson	53	Chief Financial Officer
Eric L. Dobmeier	45	Chief Operating Officer and Corporate Secretary
Jonathan Drachman, M.D.	52	Chief Medical Officer and Executive Vice President, Research and Development
Vaughn B. Himes, Ph.D.	53	Executive Vice President, Technical Operations and Process Science
Christopher S. Boerner, Ph.D.	43	Executive Vice President, Commercial

EXECUTIVE OFFICER PROFILES

Todd E. Simpson Mr. Simpson has served as our Chief Financial Officer since October 2005. Previously, Mr. Simpson served from October 2001 to October 2005 as Vice President, Finance & Administration and Chief Financial Officer of Targeted Genetics Corporation, a biotechnology company. From January 1996 to October 2001, Mr. Simpson served as Vice President, Finance & Administration and CFO of Aastrom Biosciences, Inc., a biotechnology company. From August 1995 to December 1995, he served as Treasurer of Integra LifeSciences Corporation, a biotechnology company, which acquired Telios Pharmaceuticals, Inc., in August 1995. From 1992 until its acquisition by Integra, he served as Vice President of Finance and CFO of Telios and in various other finance-related positions. Mr. Simpson currently serves on the board of directors of Aquinox Pharmaceuticals, Inc. and on the executive committee of the board of directors of the Washington Biotechnology and Biomedical Association. Mr. Simpson is a certified public accountant, and from 1983 to 1992 he practiced public accounting with the firm of Ernst & Young LLP. Mr. Simpson received a B.S. in Accounting and Computer Science from Oregon State University.

Eric L. Dobmeier Mr. Dobmeier joined Seattle Genetics in March 2002 and has served as our Chief Operating Officer since June 2011. Previously, he served in positions of increasing responsibility, most recently as our Chief Business Officer from May 2007 to June 2011. He has also served as our Corporate Secretary since March 2002. Prior to joining Seattle Genetics, Mr. Dobmeier was with the law firms of Venture Law Group and Heller Ehrman LLP where he represented technology companies in connection with public and private financings, mergers and acquisitions and corporate partnering transactions. Mr. Dobmeier also serves as a director of Stemline Therapeutics, Inc., a publicly-traded biotechnology company. Mr. Dobmeier received a J.D. from University of California, Berkeley School of Law and an A.B. in History from Princeton University.

Jonathan Drachman, M.D. Dr. Drachman has served as our Chief Medical Officer and Executive Vice President, Research and Development since October 2013. Dr. Drachman previously served as our Senior Vice President, Research and Translational Medicine and various other positions of increasing authority. Prior to joining Seattle Genetics in November 2004, Dr. Drachman was Associate Professor in the Hematology Division, Department of Medicine at the University of Washington in Seattle, where he remains a Clinical Associate Professor of Medicine. He also served as Senior Investigator in the Division of Research and Education and Medical Director of the Umbilical Cord Blood Program at the Puget Sound Blood Center. Dr. Drachman received a B.A. in Biochemistry from Harvard University and an M.D. from Harvard Medical School. He completed his residency in Internal Medicine and fellowship in Medical Oncology at the University of Washington.

Vaughn B. Himes, Ph.D. Dr. Himes joined Seattle Genetics as Executive Vice President, Technical Operations, in April 2009 and has served as our Executive Vice President, Technical Operations and Process Science since July 2012. Previously, Dr. Himes was with ZymoGenetics, Inc. from November 2005 to March

2009, most recently as Senior Vice President, Technical Operations where his responsibilities included commercial and clinical manufacturing, supply chain and logistics, quality control and process development. From March 2003 to October 2005, he was Vice President, Manufacturing at Corixa, Inc. Prior to that, he held Vice President positions in manufacturing and development at Targeted Genetics and Genovo. Dr. Himes received a Bachelor of Arts in Chemistry from Pomona College in California and a Ph.D. in Chemical Engineering from the University of Minnesota.

Christopher S. Boerner, Ph.D. Dr. Boerner has served as our Executive Vice President, Commercial since February 2014. Previously, he was our Senior Vice President, Commercial, from March 2012 to February 2014 and our Vice President of Marketing from December 2010 until March 2012. Prior to that, he was with Dendreon Corporation from June 2010 to November 2010 where he led the marketing team. From 2002 to 2010, he was with Genentech, a member of the Roche Group, where he served in a variety of commercial roles, including Director of Marketing on Avastin, Director of Avastin franchise management and Associate Director of Oncology Market Development. Prior to Genentech, Dr. Boerner was with McKinsey & Company, a global strategic management consulting firm, where he worked on a variety of pharmaceutical sales and marketing engagements. Dr. Boerner received his Ph.D. and M.A. in Business Administration from the Haas School of Business at the University of California, Berkeley, and holds an A.B. in Economics and History from Washington University in St. Louis.

INDEPENDENCE OF THE BOARD OF DIRECTORS

As required under the listing standards of The NASDAQ Stock Market, a majority of the members of a listed company's board of directors must qualify as independent as defined in Rule 5605(a)(2) of the NASDAQ listing standards, as affirmatively determined by the board of directors. Our Board of Directors consults with our internal and outside counsel to ensure that the Board of Directors' determinations are consistent with all relevant laws and regulations regarding the definition of independent, including those set forth in pertinent NASDAQ listing standards.

Management has reviewed the directors' responses to a questionnaire asking about their transactions, relationships and arrangements with Seattle Genetics (and those of their immediate family members) and other potential conflicts of interest. Other than as described in this paragraph, these questionnaires did not disclose any transactions, relationships or arrangements that question the independence of our directors. After reviewing this information, our Board of Directors has determined that all of our directors are independent directors within the meaning of the applicable NASDAQ listing standards except for Clay B. Siegall, our President and Chief Executive Officer. The Board of Directors also considered Dr. Baker's employment as a Managing Partner of Baker Brothers Investments, and the relationship Seattle Genetics has with Baker Brothers Investments and affiliated entities as significant stockholders in making the determination that Dr. Baker is independent. The Board of Directors also considered Dr. Simonian's past employment with Millennium and the relationship Seattle Genetics has with Millennium for development of ADCETRIS® (brentuximab vedotin) in making the determination that Dr. Simonian is independent.

BOARD LEADERSHIP STRUCTURE AND RISK OVERSIGHT

Board Leadership Structure

Our Board of Directors has chosen to combine the principal executive officer and Board chairman positions and, in addition, has appointed a separate lead independent director. Dr. Siegall has served as our principal executive officer and Board chairman since 2004. At the present time, the independent directors believe that Dr. Siegall's in-depth knowledge of our operations and vision for its development make him the best-qualified director to serve as Board chairman. We believe that combining the positions of chief executive officer and Board chairman provides a single, clear chain of command to execute our strategic initiatives and business plans.

In addition, we believe that a combined chief executive officer/Board chairman is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information. We also believe that it is advantageous to have a Board chairman with an extensive history with and knowledge of Seattle Genetics (as is the case with our chief executive officer) as compared to an independent Board chairman with less direct involvement.

The position of lead independent director has been structured to serve as an effective balance to a combined chief executive officer/Board chairman. Since February 2005, Felix Baker has served as the lead independent director of the Board. His duties include, among others:

providing leadership to the Board complementary to the Board chairman;

working with the Board chairman and Corporate Secretary to set the agenda for Board meetings;

chairing regular meetings of independent directors without management present; and

chairing Board meetings if the Board chairman is not in attendance.

Board Risk Oversight

Our Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing Seattle Genetics. Throughout the year, the Board and the committees to which it has delegated responsibility dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail. Strategic and operational risks are presented and discussed in the context of the Chief Executive Officer's report on operations to the Board at regularly scheduled Board meetings and at presentations to the Board and its committees by the respective committee chairmen, our Chief Financial Officer, our Senior Vice President, Legal Affairs and Compliance and General Counsel, and other officers.

The Board has delegated responsibility for the oversight of specific risks to Board committees as follows:

The Audit Committee oversees Seattle Genetics' risk policies and processes relating to our financial statements and financial reporting processes, as well as healthcare compliance risks, key credit risks, liquidity risks, market risks and the guidelines, policies and processes for monitoring and mitigating those risks. In fulfilling this role, the Audit Committee conducts a quarterly risk-assessment process and reports its findings to the full Board of Directors. The Audit Committee also reviews and oversees related party transactions on behalf of Seattle Genetics.

The Compensation Committee evaluates the risks and rewards associated with our compensation philosophy and programs. As discussed in more detail below in this proxy statement under the heading "Compensation of Executive Officers-Compensation and Risk", the Compensation Committee reviews and approves compensation programs with features that mitigate risk without diminishing the incentive nature of the compensation. Management discusses with the Compensation Committee the procedures that have been put in place to identify and mitigate potential risks in compensation.

The Nominating and Corporate Governance Committee oversees risks related to Seattle Genetics' governance structure and processes. In addition, our General Counsel works with our committees and Board to develop risk identification, risk management and risk mitigation strategies and reports periodically to the Board and the committees on Seattle Genetics' risk profile and various management and mitigation strategies.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During 2013, the Board met six times and acted by written consent twice. On at least a quarterly basis, the Board meets in executive sessions of independent directors without management present. The Board has several committees, including a Compensation Committee, an Audit Committee and a Nominating and Corporate Governance Committee. During 2013, each of our directors attended at least 75% of the aggregate of Board and applicable committee meetings on which he or she served during 2013 for the period that he or she was a director or committee member.

Information about the Compensation Committee

The Compensation Committee consists of Felix Baker (chairman), David W. Gryski and Daniel G. Welch. The Board of Directors has determined that all of the members of the Compensation Committee currently serving are independent as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards. In determining whether Dr. Baker, Mr. Gryski and Mr. Welch are independent within the meaning of the NASDAQ listing standards pertaining to membership of the Compensation Committee that will be in effect for Seattle Genetics as of the Annual Meeting, our Board of Directors determined that, based on its consideration of factors specifically relevant to determining whether any such director has a relationship to Seattle Genetics that is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, no member of the Compensation Committee has a relationship that would impair that member's ability to make independent judgments about our executive compensation. In particular, our Board of Directors considered, among other things, the source of each member's compensation, including compensation paid to such member by us, and also considered Dr. Baker's employment as a Managing Partner of Baker Brothers Investments, and the relationship Seattle Genetics has with Baker Brothers Investments and affiliated entities as significant stockholders and determined that such compensation and affiliation, as applicable, would not impair the applicable member's ability to make independent judgments about our executive compensation. In the case of Dr. Baker, our Board of Directors determined that, given his affiliation with our largest stockholder, his interests are aligned with other stockholders in seeking an appropriate executive compensation program for Seattle Genetics.

The Compensation Committee held three meetings and acted by written consent three times during 2013. The functions of the Compensation Committee are to establish and administer our policies regarding annual executive salaries, cash incentives and long-term equity incentives. The Compensation Committee also administers our 1998 Stock Option Plan, Amended and Restated 2007 Equity Incentive Plan and Amended and Restated 2000 Employee Stock Purchase Plan, as well as our yearly Senior Executive Annual Bonus Plans. The Compensation Committee also reviews with management our Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings. The Compensation Committee operates under a written charter setting forth the functions and responsibilities of the committee. A copy of the Compensation Committee charter can be viewed on our website at www.seattlegenetics.com. Under its charter, the Compensation Committee has the authority, in its sole discretion, to retain (or obtain the advice of) any compensation consultant, legal counsel or other adviser to assist it in the performance of its duties. The Compensation Committee also has the direct responsibility for the appointment, compensation and oversight of the work of any advisers retained or engaged by the Compensation Committee. Finally, the Compensation Committee has the sole authority to approve the reasonable fees and the other terms and conditions of the engagement of any such advisor, including authority to terminate the engagement. We must provide for appropriate funding, as determined by the Compensation Committee, for the payment of reasonable compensation to any such adviser retained by the Compensation Committee.

For information regarding our processes and procedures for the consideration and determination of executive and director compensation, please see Compensation of Executive Officers Compensation Discussion and Analysis and Director Compensation, respectively.

Information about the Audit Committee

The Audit Committee consists of David W. Grysa (chairman), Franklin M. Berger and John P. McLaughlin. The Board of Directors has determined that all of the members of the Audit Committee are independent within the meaning of Rules 5605(c)(2)(A)(i) and (ii) of the NASDAQ listing standards. The Board of Directors has determined that Mr. Grysa is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K.

The Audit Committee held seven meetings during 2013. Among its responsibilities, the Audit Committee appoints and establishes the fees for our independent registered public accounting firm, reviews and approves the procedures we use to prepare our periodic reports, reviews our critical accounting policies, reviews the independence of the independent registered public accounting firm, monitors the effectiveness of the audit effort and oversees our financial and accounting organization and our system of internal accounting controls. The Audit Committee operates under a written charter setting forth the functions and responsibilities of the committee, which is reviewed annually and amended as necessary by the Audit Committee and the Board of Directors to ensure compliance with all applicable laws and regulations, including the Sarbanes-Oxley Act of 2002 and corporate governance standards adopted by NASDAQ. A copy of the Audit Committee charter can be viewed on our website at www.seattlegenetics.com.

Information about the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of John P. McLaughlin (chairman), Felix Baker and Nancy A. Simonian, who replaced Mr. Berger on the committee in March 2013. The Board of Directors has determined that all of the members of the Nominating Committee, including Mr. Berger, are independent as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards.

The Nominating and Corporate Governance Committee met once and acted by written consent once during 2013. The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to serve as members of the Board of Directors, recommending nominees to the Board for election as directors of Seattle Genetics and as members of the committees of the Board of Directors, as well as developing and making recommendations to the Board's corporate governance guidelines and providing oversight with respect to corporate governance and ethical conduct. The Nominating and Corporate Governance Committee operates under a written charter setting forth the functions and responsibilities of the committee. A copy of the Nominating and Corporate Governance Committee charter can be viewed on our website at www.seattlegenetics.com.

The Nominating and Corporate Governance Committee assesses many characteristics and diversity considerations when reviewing director candidates and these characteristics are set forth in our Nominating and Corporate Governance Committee charter. Among the characteristics to be considered are such person's professional background, business experience, judgment and integrity, familiarity with the biotechnology industry, applicable expertise and the interplay of the candidate's experience and skills with those of other Board members. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board and its committees, as well as the nature and time involved in a director's service on other boards. The Nominating and Corporate Governance Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds; however, the Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

The Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If there is a vacancy on the Board as a result of a resignation or otherwise, or if the Board decides not to nominate a member for re-election or decides to add a member to the Board, the Nominating and Corporate Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above and the Board's needs. Current members of the Board are asked to submit suggestions as to individuals meeting the criteria described above. To date, we have not engaged third parties to identify or evaluate or assist in identifying potential nominees, although we may in the future decide to retain a third-party search firm.

In accordance with our bylaws and applicable law, nominations for directors may be made by any stockholder of record entitled to vote for the election of directors at stockholder meetings held for such purpose. The requirements a stockholder must follow for nominating persons for election as directors are set forth in our bylaws and under the heading "Proposals for 2015 Annual Meeting." The Nominating and Corporate Governance Committee will also consider director candidates recommended by stockholders. In order to recommend director candidates to the Nominating and Corporate Governance Committee, stockholders should follow the procedures in our bylaws for director nominations. If a stockholder complies with these procedures for recommending persons for election as directors, the Nominating and Corporate Governance Committee will conduct the appropriate and necessary inquiries into the backgrounds, qualifications and skills of the recommended candidates and, in the exercise of the Nominating and Corporate Governance Committee's independent judgment in accordance with the policies and procedures adopted in the Nominating and Corporate Governance Committee's charter, will determine whether to recommend the candidate(s) recommended by the stockholders to the Board for inclusion in the list of candidates for election as directors at the next stockholder meeting held to elect directors. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates director candidates based on whether or not the candidate was recommended by a stockholder.

Annual Meeting Attendance

Although we do not have a formal policy regarding attendance by members of the Board of Directors at our Annual Meetings of Stockholders, directors are encouraged to attend. All of our directors then serving attended the 2013 annual meeting of stockholders.

CERTAIN OTHER CORPORATE GOVERNANCE MATTERS

Communications with the Board of Directors

Our Board of Directors currently does not have a formal process for stockholders to send communications to the Board of Directors. Nevertheless, efforts are made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and that appropriate responses are provided to stockholders on a timely basis. The Board does not recommend that formal communication procedures be adopted at this time because it believes that informal communications are sufficient to communicate questions, comments and observations that could be useful to the Board. However, stockholders wishing to formally communicate with the Board of Directors may send communications directly to Seattle Genetics, Inc., Attention: Investor Relations, 21823 30th Drive SE, Bothell, WA 98021, and the communication will be forwarded, as appropriate. If the communication regards a stockholder proposal to be considered at an annual meeting of stockholders, the methods and timing for submitting a stockholder proposal are covered under the heading "Proposals for 2015 Annual Meeting."

Code of Ethics

The Board of Directors has adopted a Code of Ethics for all directors, officers and employees of Seattle Genetics, Inc. A copy of the Code of Ethics can be viewed on our website at www.seattlegenetics.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Ethics by posting such information on our website at the website address specified above.

Whistleblower Policy

Seattle Genetics has adopted a Whistleblower Policy applicable to its employees that provides for protection from retaliation or discrimination by Seattle Genetics due to reporting issues relating to compliance with applicable laws and regulations.

DIRECTOR COMPENSATION

Cash Compensation. Our nonemployee directors received an annual retainer of \$50,000 in 2013 for their service on the Board, plus reimbursement for out-of-pocket expenses incurred in connection with attendance at Board and Board committee meetings, and our lead independent director received an additional retainer of \$12,000 in 2013. Our nonemployee directors also received the following additional annual retainers for service on committees of the Board in 2013:

Committee	Chairman	Member
Audit Committee	\$ 20,000	\$ 10,000
Compensation Committee	\$ 15,000	\$ 8,000
Nominating and Corporate Governance Committee	\$ 10,000	\$ 5,000

If a nonemployee director has not served on the Board or a Board committee for the full year, the Board and any applicable Board committee retainers may be prorated for the portion of the year served.

Equity Compensation. Our Board has established a policy of providing each person who becomes a nonemployee director of Seattle Genetics an initial nonstatutory stock option to purchase shares of our common stock and an initial restricted stock unit grant. Such grants are to be made under our Amended and Restated 2007 Equity Incentive Plan, or the 2007 Plan, provided that if Proposal No. 2 is approved by our stockholders, all such grants to be made on or after the date of the Annual Meeting will be made under the 2007 Plan, as amended and restated by the Board in February 2014, or the Restated 2007 Plan. For purposes of this section, the 2007 Plan refers to either the 2007 Plan or the Restated 2007 Plan, as applicable. These initial awards are granted on the date on which a recipient first becomes a nonemployee director of Seattle Genetics. John A. Orwin received initial awards in connection with his appointment as a director in January 2014. In addition, on the date of each annual meeting of stockholders, each nonemployee director is granted an annual nonstatutory stock option to purchase shares of common stock and an annual restricted stock unit grant each under the 2007 Plan if, on such date, he or she had served on the Board for at least six months. In 2013, nonemployee directors became eligible for an initial nonstatutory stock option to purchase 12,500 shares of common stock and an initial restricted stock unit grant covering 5,000 shares of common stock, and an annual nonstatutory stock option to purchase 8,750 shares of common stock and an annual restricted stock unit grant covering 3,500 shares of common stock. Accordingly, Felix Baker, Nancy A. Simonian, Marc E. Lippman, Franklin M. Berger, Srinivas Akkaraju, David W. Gryska, John P. McLaughlin and Daniel G. Welch are expected to each receive an annual option for 8,750 shares of common stock and an annual restricted stock unit grant covering 3,500 shares of common stock under the 2007 Plan on the date of the Annual Meeting. However, John A. Orwin will not receive annual grants because he will not have served as a director for at least six months as of the time of the 2014 Annual Meeting. Prior to March 2011, initial and annual grants were made pursuant to our 2000 Directors Stock Option Plan, or the Directors Plan, which expired in March 2011. Notwithstanding the above description, Srinivas Akkaraju and Felix Baker were not granted an initial option under the Directors Plan upon becoming directors of Seattle Genetics because they joined the Board in conjunction with their affiliated investment funds making substantial equity investments in Seattle Genetics.

The annual options and restricted stock units granted under the 2007 Plan (and the Directors Plan with respect to options granted prior to its expiration in March 2011) become fully exercisable on the day before the anniversary of the date of grant of the annual option, and the initial options granted under the 2007 Plan (and the Directors Plan with respect to options granted prior to its expiration in March 2011) become exercisable as to 1/4th of the shares subject to the initial option on the first anniversary of the date of grant and as to 1/36th of the

remaining shares subject to the initial option ratably each month thereafter. The initial restricted stock units under the 2007 Plan will vest in full upon the third anniversary of grant. In addition, all nonemployee directors receive full acceleration of vesting of any outstanding options or restricted stock units under the 2007 Plan and the Directors' Plan, as applicable, immediately prior to a change in control of Seattle Genetics. The exercise price of the initial options and the annual options is equal to the fair market value of our common stock on the NASDAQ Global Select Market on the date the option is granted. Both initial options and annual options under the 2007 Plan and the Directors' Plan have ten year terms. The options granted to nonemployee directors under the 2007 Plan and the Directors' Plan remain exercisable for up to ninety days following the grantee's termination of service, unless such termination is a result of death or disability, in which case the options remain exercisable for up to a twelve-month period (or such lesser period as is determined by the Board). Felix Baker, Nancy A. Simonian, Marc E. Lippman, Franklin M. Berger, Srinivas Akkaraju, David W. Gryska, John P. McLaughlin and Daniel G. Welch, each received an annual option for 8,750 shares and an annual restricted stock unit grant for 3,500 shares under the 2007 Plan on May 17, 2013, the date of our 2013 Annual Meeting. Although we anticipate that our Board of Directors will continue our equity compensation arrangements for nonemployee directors on the same terms as described above for initial and annual equity grants under the 2007 Plan, it is within the Board's discretion to continue our equity compensation arrangements for nonemployee directors, and the Board may determine to implement new or revised equity compensation arrangements for our nonemployee directors that differ from those described above.

In order to align the interests of the directors with Seattle Genetics' stockholders, our Corporate Governance Guidelines state that all directors should, not later than five years from the date an individual becomes a director, own a number of shares of Seattle Genetics common stock with a value not less than three times the annual cash retainer paid by Seattle Genetics to such director, and thereafter such director should continue to own a number of shares with such value until he or she is no longer a director. All of our then-current directors were in compliance with these director ownership guidelines as of December 31, 2013, the date the Nominating and Corporate Governance Committee used to assess such compliance for 2013.

Processes and Procedures for Determining Director Compensation. The full Board of Directors considers and determines director compensation and seeks input from executive officers and outside compensation consultants as it deems appropriate. For example, in September 2012, Compensia, Inc., our Compensation Committee's compensation consultant, conducted a survey of director compensation at our then peer group companies to compare our director compensation to director compensation at these peer group companies. As a result of that survey, we adjusted our nonemployee director compensation beginning in 2013 to better reflect the average compensation received by members of the boards of directors of our peer companies. Our nonemployee director compensation arrangements for 2013 are discussed above. We review our peer group companies periodically and our peer group for 2013 is listed under the heading "Compensation Discussion and Analysis - Compensation Philosophy and Objectives."

Director Compensation Table. The following table sets forth all of the compensation awarded to or earned by each person who served as a nonemployee director during 2013. Dr. Siegall, our only employee director, receives no compensation for Board service but is reimbursed for reasonable and customary travel expenses. Mr. Orwin is not included in the table below since he joined our Board in January 2014.

Name	Fees Earned (\$)	Stock Awards (\$)(1)(11)	Option Awards (\$)(2)(11)	Total (\$)
Marc E. Lippman, M.D. (3)	50,000	128,450	135,153	313,603
Franklin M. Berger (4)	62,654	128,450	135,153	326,257
Srinivas Akkaraju, M.D., Ph.D. (5)	50,000	128,450	135,153	313,603
David W. Gryska (6)	76,596	128,450	135,153	340,199
Felix Baker, Ph.D. (7)	82,000	128,450	135,153	345,603
John P. McLaughlin (8)	70,000	128,450	135,153	333,603
Daniel G. Welch (9)	58,000	128,450	135,153	321,603
Nancy A. Simonian (10)	53,750	128,450	135,153	317,353

- (1) The amounts in this column represent the aggregate full grant date fair value of restricted stock units granted during 2013 in accordance with FASB ASC Topic 718 with no estimate for future forfeitures, which value is based on the closing price of our common stock on the date of grant.
- (2) The amounts in this column represent the aggregate full grant date fair value of options or awards granted during 2013 calculated in accordance with FASB ASC Topic 718 with no estimate for future forfeitures. For information regarding the assumptions used in calculating these amounts, see Note 12 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.
- (3) The fees earned by Dr. Lippman consist of a \$50,000 retainer for Board service. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (4) Mr. Berger was a member of our Nominating and Corporate Governance Committee for a portion of the year, and a member of our Audit Committee in 2013. The fees earned include a \$50,000 retainer for Board service, an \$11,404 (prorated) retainer for service on the Audit Committee (including as Chairman for a period of 2013), and a \$1,250 (prorated) retainer for service as a member of our Nominating and Corporate Governance Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (5) The fees earned by Dr. Akkaraju consist of a \$50,000 retainer for Board service. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (6) Mr. Gryska was chairman of our Audit Committee and a member of our Compensation Committee in 2013. The fees earned include a \$50,000 retainer for Board service, an \$18,596 (prorated) retainer for service as a member and Chairman of the Audit Committee during 2013, and an \$8,000 retainer for service as a member of the Compensation Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (7) Dr. Baker was our lead independent director, chairman of our Compensation Committee and a member of our Nominating and Corporate Governance Committee in 2013. The fees earned include a \$50,000 retainer for Board service, a \$12,000 retainer for service as the lead independent director, a \$15,000 retainer for service as the chairman of our Compensation Committee, and a \$5,000 retainer for service as a member of our Nominating and Corporate Governance Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (8) Mr. McLaughlin was chairman of our Nominating and Corporate Governance Committee and a member of our Audit Committee in 2013. The fees earned include a \$50,000 retainer for Board service, a \$10,000 retainer for service as a member of our Audit Committee and a \$10,000 retainer as chairman of our Nominating and Corporate Governance Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.
- (9) Mr. Welch was a member of our Compensation Committee in 2013. The fees earned include a \$50,000 retainer for Board service, and an \$8,000 retainer for service as a member of our Compensation Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.

- (10) Dr. Simonian was a member of our Nominating and Corporate Governance Committee for a portion of 2013. The fees earned include a \$50,000 retainer for Board service, and a \$3,750 (prorated) retainer for

service as a member of our Nominating and Corporate Governance Committee. The stock awards amount represents the grant date fair value of restricted stock units granted on May 17, 2013. The option awards amount represents the grant date fair value of an option granted on May 17, 2013.

(11) As of December 31, 2013, our nonemployee directors listed in the table above held outstanding stock awards and options, as follows:

Name	Number of Shares Underlying Outstanding Restricted Stock Units	Number of Shares Subject to Outstanding Options
Marc E. Lippman, M.D	3,500	71,750
Franklin M. Berger	3,500	51,250
Srinivas Akkaraju, M.D., Ph.D.	3,500	48,750
David W. Gyska	3,500	76,250
Felix Baker, Ph.D.	3,500	121,250
John P. McLaughlin	3,500	81,250
Daniel G. Welch	3,500	100,131
Nancy A. Simonian	3,500	33,750

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 21, 2014 (except as noted) regarding the beneficial ownership of our common stock by each director (including each nominee for director), by each person or group of affiliated persons known to us to beneficially own five percent or more of our outstanding common stock, by each named executive officer and by all executive officers and directors as a group. Unless otherwise indicated, the address of the individuals and entities below is c/o Seattle Genetics, Inc., 21823 30 Drive SE, Bothell, WA 98021.

Name and Address	Total Common Stock Equivalents (1)	Percent of Common Stock Equivalents (2)
Felix Baker, Ph.D. (3) Baker Brothers Advisors, LLC 667 Madison Avenue, 21st Floor New York, NY 10065	20,860,676	16.9%
FMR LLC (4) 245 Summer Street Boston, MA 02210	18,376,030	14.9%
Baillie Gifford & Co. (5) Calton Square 1 Greenside Row Edinburgh EH1 3AN Scotland United Kingdom	13,315,804	10.8%
PRIMECAP Management Company (6) 225 South Lake Avenue, #400 Pasadena, CA 91101	10,523,157	8.5%
Capital Group International, Inc. (7) 11100 Santa Monica Boulevard Los Angeles, CA 90025	7,536,078	6.1%
BlackRock, Inc. (8) 40 East 52 nd Street New York, NY 10055	7,371,957	6.0%
Columbia Wanger Asset Management, LLC (9) 227 West Monroe Street, Suite 3000 Chicago, IL 60606	6,701,000	5.4%
The Vanguard Group (10) 100 Vanguard Blvd. Malvern, PA 19355	6,513,889	5.3%
Clay B. Siegall, Ph.D. (11)	2,350,174	1.9
Todd E. Simpson (12)	143,146	*

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Eric L. Dobmeier (13)	70,884	*
Jonathan Drachman, M.D. (14)	290,790	*
Vaughn Himes, Ph.D. (15)	311,010	*
Christopher A. Boerner, Ph.D. (16)	130,464	*
Marc E. Lippman, M.D. (17)	190,220	*
Franklin M. Berger (18)	248,470	*
David W. Gryska (19)	98,000	*
John P. McLaughlin (20)	109,750	*
Daniel G. Welch (21)	109,750	*
Srinivas Akkaraju, M.D., Ph.D. (22)	62,655	*
Nancy A. Simonian, M.D. (23)	25,791	*
John A Orwin (24)	0	*
All directors and executive officers as a group (25)	25,001,760	20.3

* Less than one percent

- (1) Beneficial ownership is determined in accordance with SEC rules. In computing the beneficial ownership we have included shares for which the named person has sole or shared power over voting or investment decisions. The number of shares of common stock beneficially owned includes common stock which the named person has the right to acquire, through option exercise or otherwise, within 60 days after March 21, 2014.
- (2) Percentage of common stock equivalents is based on a total of 123,109,392 shares of common stock outstanding as of March 21, 2014. For each named person, the percentage ownership includes common stock that the person has the right to acquire within 60 days after March 21, 2014, as described in Footnote 1. However, such shares are not deemed outstanding with respect to the calculation of ownership percentage for any other person. In some cases, beneficial ownership calculations for five percent or greater stockholders are based solely on publicly-filed Schedules 13D or 13G, which five percent or greater stockholders are required to file with the SEC, and which generally set forth ownership interests as of December 31, 2013.
- (3) Includes 3,868,576 shares of common stock owned by 667, L.P., 15,131,223 shares of common stock owned by Baker Brothers Life Sciences, L.P. and 323,148 shares of common stock owned by 14159, L.P. Felix Baker is a Managing Member of the investment advisors of each of the entities listed above and shares voting and dispositive power with respect to the shares held by each such entity and disclaims beneficial ownership of such shares in which he has no pecuniary interest. Also includes 121,250 shares issuable upon exercise of options held by Dr. Baker that are exercisable within 60 days of March 21, 2014, 3,500 restricted stock units that vest within 60 days of March 21, 2014 and 77,004 shares of common stock held by Dr. Baker directly. Dr. Baker is a manager of FBB2 and has voting and investment power over 18,243 shares of common stock held by FBB2.
- (4) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on February 14, 2014. According to the Schedule 13G/A, FMR LLC has sole power to vote or direct the vote of 97,646 shares of common stock and sole power to dispose or to direct the disposition of 18,376,030 shares of common stock. According to the Schedule 13G/A, Fidelity Growth Company Fund has the right to receive or the power to direct dividends from, or the proceeds from the sale of, 9,773,840 shares of common stock. The Schedule 13G/A filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (5) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on January 10, 2014. According to the Schedule 13G/A, Baillie Gifford & Co. has sole voting power over 8,831,144 shares of common stock and sole dispositive power over 13,315,804 shares of common stock. According to the Schedule 13G/A, the shares are held by Baillie Gifford & Co. and/or one or more of its investment adviser subsidiaries, which may include Baillie Gifford Overseas Limited, on behalf of investment advisory clients, which may include investment companies registered under the Investment Company Act, employee benefit plans, pension funds or other institutional clients. The Schedule 13G/A filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (6) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on February 14, 2014. According to the Schedule 13G/A, PRIMECAP Management Company has sole voting power over 8,063,700 shares of common stock and sole dispositive power over 10,523,157 shares of common stock. The Schedule 13G/A filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (7) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting persons on February 7, 2014. According to the Schedule 13G/A, Capital Group International, Inc. (CGII) has sole voting power over 6,269,067 shares of common stock and sole dispositive power over 7,536,078 shares of

- common stock, and Capital Guardian Trust Company (CGTC) has sole voting power over 5,230,367 shares of common stock and sole dispositive power over 6,374,378 shares of common stock. According to the Schedule 13G/A, CGII is the parent holding company of a group of investment management companies, including CGTC. The Schedule 13G/A filed by the reporting persons provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting persons may have changed between December 31, 2013 and March 21, 2014.
- (8) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on January 30, 2014. According to the Schedule 13G, BlackRock, Inc. has sole voting power over 6,875,243 shares of common stock and sole dispositive power over 7,371,957 shares of common stock. The Schedule 13G/A filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (9) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting person on February 6, 2014. According to the Schedule 13G/A, Columbia Wanger Asset Management, LLC (CWAM) has sole voting power over 6,323,000 shares of common stock and sole dispositive power over 6,701,000 shares of common stock. According to the Schedule 13G/A, CWAM does not directly own any of the shares of common stock reported in the table above. As the investment adviser of various unregistered and registered investment companies and managed accounts, CWAM may be deemed to beneficially own these shares. The Schedule 13G filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (10) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting person on February 11, 2014. According to the Schedule 13G, the Vanguard Group has sole voting power over 68,426 shares of common stock, sole dispositive power over 6,453,463 shares of common stock, and shared dispositive power over 60,426 shares of common stock. The Schedule 13G filed by the reporting person provides information as of December 31, 2013 and, consequently, the beneficial ownership of the reporting person may have changed between December 31, 2013 and March 21, 2014.
- (11) Includes 1,583,728 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (12) Includes 35,485 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (13) Includes 54,134 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (14) Includes 290,620 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (15) Includes 297,225 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (16) Includes 127,450 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014.
- (17) Includes 68,750 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.
- (18) Includes 43,750 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

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- (19) Includes 76,250 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

- (20) Includes 81,250 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

- (21) Includes 100,131 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

- (22) Includes 48,750 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

- (23) Includes 22,291 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 3,500 restricted stock units that vest within 60 days of March 21, 2014.

- (24) Mr. Orwin has served as one of our directors since January 2014.

- (25) Includes 2,951,064 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 21, 2014 and 28,000 restricted stock units that vest within 60 days of March 21, 2014.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, our executive officers and persons who own more than ten percent of our common stock to file initial reports of ownership and changes in ownership of our common stock. These reporting persons are required by SEC regulations to furnish us with copies of all Section 16 reports they file. To our knowledge, based primarily on our review of the copies of such reports received or written representations from certain of these reporting persons that no other reports were required, we believe that during the fiscal year ended December 31, 2013, all of these reporting persons complied with all applicable filing requirements, except that two Form 4 filings, each reporting the grant of an annual stock option and restricted stock unit award to an executive officer, were filed one and ten days late in August and November 2013, respectively.

PROPOSAL NO. 2

APPROVAL OF THE AMENDMENT AND RESTATEMENT OF

THE SEATTLE GENETICS, INC.

AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

In February 2007, the Board adopted, and the stockholders subsequently approved, the Seattle Genetics, Inc. 2007 Equity Incentive Plan. In August 2009, the Board amended and restated the Seattle Genetics, Inc. 2007 Equity Incentive Plan to provide for acceleration of vesting in connection with specified change in control events. In March 2010, the Board approved, and the stockholders subsequently approved in May 2010, the further amendment and restatement of the Seattle Genetics, Inc. 2007 Equity Incentive Plan to, among other things, increase the number of shares authorized for issuance and revise the definition of "change in control" under the plan. In February 2012, the Board approved, and the stockholders subsequently approved in May 2012, the further amendment and restatement of the Seattle Genetics, Inc. 2007 Equity Incentive Plan to, among other things, increase the number of shares authorized for issuance and strengthen the prohibition on repricing underwater awards under the plan. Throughout this proxy statement, we refer to the Seattle Genetics, Inc. 2007 Equity Incentive Plan, as amended and restated by the Board in August 2009, March 2010 and February 2012 and as approved by the stockholders in May 2010 and May 2012, as the "2007 Plan".

The Board approved the further amendment and restatement of the 2007 Plan in February 2014, subject to stockholder approval, to, among other things, increase the number of shares authorized for issuance under the 2007 Plan by 4,500,000 shares of common stock. Throughout this proxy statement, we refer to the 2007 Plan, as amended and restated by the Board in February 2014, as the "Restated 2007 Plan".

Why You Should Vote for the Restated 2007 Plan

Equity Awards Are an Important Part of Our Compensation Philosophy

The Restated 2007 Plan is critical to our ongoing effort to build stockholder value. As discussed in the Compensation Discussion and Analysis beginning on page 44 of this proxy statement, equity awards are central to our compensation program. Equity compensation represents a significant percentage of the at-risk, or variable, portion of our executive officers' compensation arrangements. We believe that it is appropriate to align the interests of our executive officers with those of our stockholders to achieve and sustain long-term stock price growth. Additionally, equity awards represent a significant portion of the compensation we pay to each of the non-employee members of the Board.

The Board believes we must continue to offer a competitive equity compensation program in order to attract, retain and motivate the extraordinarily talented employees and other service providers necessary for our continued growth and success. The share reserve of the Restated 2007 Plan is structured to ensure that we have a sufficient number of shares to continue to utilize a broad array of equity incentives in order to secure and retain the services of our and our affiliates' employees, directors and consultants, and to provide incentives for such persons to exert maximum efforts toward our success.

In the event that our stockholders do not approve this Proposal No. 2, the Restated 2007 Plan will not become effective and the 2007 Plan will continue in its current form. However, without the Restated 2007 Plan, we believe that the shares available for grant under the 2007 Plan will be insufficient to meet our anticipated employee recruiting and retention needs.

We Manage Our Equity Award Use Carefully and Dilution Is Reasonable

We manage our long-term stockholder dilution by limiting the number of equity awards granted annually. The Board carefully monitors our annual burn rate, dilution, and equity expense to ensure that we maximize stockholders' value by granting only the appropriate number of equity awards necessary to attract, reward, and retain employees.

The following table shows our responsible burn rate history.

	FY13	FY12	FY11
Gross Burn Rate as a % of Outstanding (1)	1.70%	2.19%	2.96%
Adjusted Burn Rate as a % of Outstanding (2)			