

SEATTLE GENETICS INC /WA
Form DEF 14A
April 08, 2011

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 8, 2011

Dear Seattle Genetics Stockholders:

On behalf of Seattle Genetics, Inc., I cordially invite you to attend our 2011 Annual Meeting of Stockholders to be held on Friday, May 20, 2011, at 2:00 p.m., local time, at our principal offices located at 21823 30th Drive S.E., 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 2010 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 S.E.

BOTHELL, WA 98021

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 20, 2011

The 2011 Annual Meeting of Stockholders (the Annual Meeting) of Seattle Genetics, Inc., a Delaware corporation (Seattle Genetics or the Company), will be held Friday, May 20, 2011 at 2:00 p.m. local time at the principal offices of Seattle Genetics located at 21823 30th Drive S.E., Bothell, Washington 98021, for the following purposes:

1. To elect the three nominees for director named in the accompanying proxy statement to hold office until the Company's 2014 Annual Meeting of Stockholders.
2. To approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2000 Employee Stock Purchase Plan to increase the aggregate number of shares of common stock authorized for issuance thereunder by 700,000 shares.
3. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.
4. To approve an amendment to Seattle Genetics' Fourth Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Seattle Genetics' common stock from 150,000,000 shares to 250,000,000 shares.
5. To approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in this proxy statement.
6. To indicate, on an advisory basis, the preferred frequency of stockholder advisory votes on the compensation of the Company's named executive officers.
7. 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 25, 2011 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 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 to ensure your representation and the presence of a quorum at the Annual Meeting. 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 8, 2011

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 20, 2011 at
21823 30 Drive S.E., 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

2011 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 20, 2011

Our Board of Directors is soliciting proxies for the 2011 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 25, 2011 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 113,464,019 shares of common stock outstanding on the record date.

Voting materials, which include this proxy statement, a proxy card and our 2010 Annual Report, are being mailed to stockholders on or about April 8, 2011. This proxy statement and our 2010 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 2011 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 20, 2011 at 2:00 p.m. local time at our principal offices located at 21823 30th Drive S.E., 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 25, 2011, 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 25, 2011, 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 six matters scheduled for a vote:

to elect the three nominees for director named in this proxy statement, to hold office until our 2014 Annual Meeting of Stockholders;

to approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2000 Employee Stock Purchase Plan, or the ESPP, to increase the aggregate number of shares of common stock authorized for issuance thereunder by 700,000 shares;

to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

to approve an amendment to our Fourth Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 250,000,000 shares;

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

to indicate, on an advisory basis, the preferred frequency of stockholder advisory votes on the compensation of our named executive officers.

The Board of Directors recommends a vote **FOR ALL** the nominees named herein for director, an indication of every 1 year as the preferred frequency with which Seattle Genetics is to hold stockholder advisory votes on the compensation of our named executive officers, 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 pass out 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 ESPP (Proposal No. 2), the advisory vote on the compensation of our named executive officers (Proposal No. 5), and the advisory vote on the frequency of stockholder advisory votes on the compensation of our named executive officers (Proposal No. 6) 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. In addition, it is possible that brokers will not have discretionary voting authority with respect to the proposal to amend our Fourth Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock (Proposal No. 4) in which case, if you do not instruct your broker how to vote with respect to this proposal, your broker may not vote with respect to this proposal 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 except Proposal No. 4. For Proposal No. 4, abstentions and broker non-votes will have the same effect as against votes.

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, the following votes will be required:

With respect to the election of directors (Proposal No. 1), the three 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 ESPP (Proposal No. 2) to increase the aggregate number of shares of common stock authorized for issuance thereunder by 700,000 shares, 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 vote on an amendment to our Fourth Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 250,000,000 shares (Proposal No. 4), approval will require the affirmative vote of the holders, either present in person or by proxy, of at least a majority of our outstanding shares of common stock.

With respect to the advisory vote on the compensation of our named executive officers as disclosed in this proxy statement (Proposal No. 5), 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 frequency of stockholder advisory votes on the compensation of our named executive officers (Proposal No. 6), consistent with our bylaws, the frequency receiving the majority of votes cast in person or by proxy at the Annual Meeting will be considered the frequency preferred by our stockholders.

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 SOLICITATION; NO USE OF OUTSIDE SOLICITORS

The Board of Directors of Seattle Genetics is soliciting your proxy to vote your shares at the Annual Meeting. In addition to this solicitation by mail, our directors, officers and other employees may contact you by telephone, via the Internet, in person or otherwise to obtain your proxy. These persons will not receive any additional compensation for assisting in the solicitation. 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. We have not retained the services of a proxy solicitor.

VOTING PROCEDURES

Votes cast by proxy or in person at the Annual Meeting will be tabulated by a representative of BNY Mellon Shareowner Services, 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. Any proxy card that is returned but not marked 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 ESPP to increase the aggregate number of shares of common stock authorized for issuance thereunder (Proposal No. 2);

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

FOR the approval of the amendment to our Fourth Amended and Restated Certificate of Incorporate to increase the number of authorized shares of our common stock (Proposal No. 4);

FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement (Proposal No. 5); and

Every 1 year as the preferred frequency of stockholder advisory votes on the compensation of our named executive officers (Proposal No. 6).

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 or her 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 2012 ANNUAL MEETING

To have your proposal included in our proxy statement for the 2012 Annual Meeting, you must submit your proposal in writing by December 10, 2011 to Eric L. Dobmeier, Corporate Secretary, Seattle Genetics, 21823 30th Drive S.E., 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 2012 Annual Meeting is not held between April 20, 2012 and June 19, 2012, 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 2012 Annual Meeting but not included in our proxy statement for that meeting must be received at the above address no earlier than January 21, 2012 and no later than February 20, 2012; provided, however, that in the event the date of the 2012 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 2012 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 2012 Annual Meeting. The Chairman of the 2012 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 2012 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 2012 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are forward-looking statements for purposes of these provisions, including those relating to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may, might, will, should, expect, plan, anticipate, project, believe, estimate, predict, p continue, the negative of terms like these or other comparable terminology, and other words or terms of similar meaning in connection with any discussion of future operating or financial performance. These statements are only predictions. All forward-looking statements included in this proxy statement are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Any or all of our forward-looking statements in this proxy statement may turn out to be wrong. Actual events or results may differ materially. Our forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks, uncertainties and other factors. We discuss in greater detail many of these risks, uncertainties and other factors in our annual report on Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission under the heading Item 1A Risk Factors. We caution investors that our business and financial performance are subject to substantial risks and uncertainties.

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 eight members. The Class I directors, whose terms expire at the 2011 Annual Meeting, are Srinivas Akkaraju, David W. Gyska and John P. McLaughlin. The Class II directors, whose terms expire at the 2012 Annual Meeting, are Clay B. Siegall and Felix Baker. The Class III directors, whose terms expire at the 2013 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.

Srinivas Akkaraju, David W. Gyska 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 2014 Annual Meeting. Each of these nominees listed below is currently a director who was previously elected by the stockholders.

Srinivas Akkaraju, David W. Gyska 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 three 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

The names of the nominees and of the directors whose terms of office will continue after the Annual Meeting, their ages as of May 20, 2011, 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.

| Name of Director Nominee | Age | Company Positions/Offices | Director Since | Term Expires |
|---------------------------------|------------|--|-----------------------|---------------------|
| Srinivas Akkaraju, M.D., Ph.D. | 43 | Director | July 2003 | 2011 |
| David W. Gryska (1) (2) | 55 | Director | March 2005 | 2011 |
| John P. McLaughlin (2) (3) | 59 | Director | June 2007 | 2011 |
| Continuing Directors | Age | Company Positions/Offices | Director Since | Term Expires |
| Clay B. Siegall, Ph.D. | 50 | President, Chief Executive Officer and Chairman of the Board | December 1997 | 2012 |
| Felix Baker, Ph.D. (1) (3) | 42 | Lead Independent Director | July 2003 | 2012 |
| Marc E. Lippman, M.D. | 66 | Director | June 2000 | 2013 |
| Franklin M. Berger (2) (3) | 61 | Director | June 2004 | 2013 |
| Daniel G. Welch (1) | 53 | Director | June 2007 | 2013 |

(1) Member of Compensation Committee

(2) Member of Audit Committee

(3) Member of Nominating and Corporate Governance Committee

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

DIRECTOR NOMINEE PROFILES

Srinivas Akkaraju, M.D., Ph.D. Dr. Akkaraju has served as one of our directors since July 2003. Since January 2009, Dr. Akkaraju has been 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. (a wholly owned 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 Pharms Corporation, a publicly traded biotechnology company. Previously, Dr. Akkaraju served as a director on the boards of Barrier Therapeutics, Inc. and Eyetech Pharmaceuticals, Inc., both 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 and Panorama Capital. 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 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. 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 a member 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 is also a director and co-founder of Peak Surgical, Inc., a privately-held medical device company, and PDL BioPharma, Inc. 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 Alder BioPharmaceuticals, 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 of Ardea BioSciences, Inc. and Trimeris, Inc., both of which are publicly-traded biotechnology companies. In addition, Dr. Baker previously served as a director of AnorMED Inc., ConjuChem, Inc. and Neurogen Corporation, 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.

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, and Chairman of the Department 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 serves as chair of the Scientific Advisory Board for the Perseus-Soros Fund and 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.

Franklin M. Berger, CFA Mr. Berger has served as one of our directors since June 2004. Mr. Berger is a biotechnology industry analyst with over 25 years of experience in capital markets and financial analysis. He served most recently 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.

Previously, 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. Prior to his work as a biotechnology analyst, he managed Pantagruel Partners, a firm that developed early-stage pharmaceutical compounds for sale to drug companies and venture capital firms. 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 VaxGen, Inc., Isotechnika Inc. and Thallion Pharmaceuticals Inc., all publicly-traded biotechnology companies. In addition, Mr. Berger previously served as a director of Emisphere Technologies, Inc., a publicly-traded company. Mr. Berger's financial background and experience as an equity analyst in the biotechnology industry combined with his experience serving on the boards of directors of multiple public companies is important to our strategic planning and financing activities as well as providing valuable experience in his role as chair of our Audit Committee.

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 and Corium International, Inc. Mr. Welch's 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.

EXECUTIVE OFFICERS

The executive officers of Seattle Genetics who are not also directors of Seattle Genetics, their ages as of May 20, 2011 and certain other information about them are set forth below:

| Name of Non-Director Executive Officers | Age | Company Positions/Offices |
|---|-----|--|
| Todd E. Simpson | 50 | Chief Financial Officer |
| Eric L. Dobmeier | 42 | Chief Business Officer and Corporate Secretary |
| Thomas C. Reynolds, M.D., Ph.D. | 52 | Chief Medical Officer |
| Morris Z. Rosenberg, D.Sc. | 51 | Executive Vice President, Process Sciences |
| Vaughn B. Himes, Ph.D. | 50 | Executive Vice President, Technical Operations |
| Bruce J. Seeley | 47 | 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 Aastron 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 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 Business Officer since May 2007. Previously, he served in positions of increasing responsibility, most recently as our Senior Vice President, Corporate Development from February 2005 to May 2007. He has also served as our Corporate Secretary since March 2002 and was our General Counsel from March 2002 to September 2006. 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 received a J.D. from University of California, Berkeley School of Law and an A.B. in History from Princeton University.

Thomas C. Reynolds, M.D., Ph.D. Dr. Reynolds has served as our Chief Medical Officer since March 2007. From June 2002 to March 2007, Dr. Reynolds held various positions at ZymoGenetics, Inc., a biotechnology company, most recently serving as Vice President, Medical Affairs. Prior to that, Dr. Reynolds served in various positions at Targeted Genetics Corporation, including Vice President, Clinical Affairs. Dr. Reynolds received his M.D. and Ph.D. in Biophysics from Stanford University and a B.A. in Chemistry from Dartmouth College.

Morris Z. Rosenberg, D.Sc. Dr. Rosenberg has served as our Executive Vice President, Process Sciences since February 2009. Previously, he was our Senior Vice President, Development from October 2004 to February 2009, and was our Vice President, Development from July 2001 to October 2004. Prior to that, he was Head of Bioprocess Development at Eli Lilly & Company from July 1998 to July 2001. From August 1990 to July 1998, he held positions of increasing managerial responsibility, including Group Leader, at Biogen, Inc., a biopharmaceutical company. Dr. Rosenberg received a D.Sc. in Chemical Engineering, a M.S. and B.S. in Chemical Engineering, and a B.A. in Biology from Washington University in St. Louis, Missouri.

Vaughn B. Himes, Ph.D. Dr. Himes has served as our Executive Vice President, Technical Operations since April 2009. 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.

Bruce J. Seeley Mr. Seeley has served as our Executive Vice President, Commercial since October 2009. He previously was with Genentech (a wholly owned member of the Roche Group) from August 2004 to October 2009, most recently as Senior Director. Prior that, Mr. Seeley was with Aventis Pharma from November 2000 to August 2004 in increasing roles of responsibility, including Senior Director of New Product Commercialization and Licensing, Global Marketing, Oncology. Previously Mr. Seeley also held various marketing and sales positions at Rhone-Poulenc Rorer and Bristol-Myers Squibb. He received a B.A. in Sociology from the University of California at Los Angeles.

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 set forth below, 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.

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 the 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 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 finding to the full Board of Directors. The Audit Committee also 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 2010, the Board met five times and acted by written consent once. 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 2010, each of our directors attended at least 75% of the aggregate of Board and applicable committee meetings on which he served during 2010 for the period that he 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.

The Compensation Committee held three meetings and acted by written consent twice during 2010. 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, Amended and Restated 2000 Employee Stock Purchase Plan and Long-Term Incentive 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.

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 Franklin M. Berger (chairman), David W. Gryski 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. Berger is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K.

The Audit Committee held five meetings during 2010. 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 and approves 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 Franklin M. Berger. The Board of Directors has determined that all of the members of the Nominating Committee 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 during 2010 to provide nomination recommendations for 2011. 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 recommending 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, recommendations for 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 recommending persons for election as directors are set forth in our bylaws and under the heading "Proposals for 2012 Annual Meeting." 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. One director attended the 2010 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 3rd Drive Southeast, 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 2012 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 will disclose any amendment to the Code of Ethics or waiver of a provision of the Code of Ethics for directors, executive officers and other senior financial officers, including the name of the director or executive officer to whom the waiver was granted, on a Form 8-K filed with the SEC.

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 \$40,000 in 2010 for their service on the Board, plus reimbursement for out-of-pocket expenses incurred in connection with attendance at Board and Board committee meetings. In addition, in 2010, Dr. Baker received an annual retainer of \$12,000 for his service as lead independent director.

Our nonemployee directors also receive the following additional annual retainers for service on committees of the Board:

| Committee | Chairman | Member |
|---|-----------------|---------------|
| Audit Committee | \$ 20,000 | \$ 10,000 |
| Compensation Committee | \$ 12,000 | \$ 6,000 |
| Nominating and Corporate Governance Committee | \$ 5,000 | \$ 3,000 |

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 2000 Directors' Stock Option Plan, or the Directors' Plan, which expired in March 2011, provided that each person who became a nonemployee director of Seattle Genetics was granted an initial nonstatutory stock option to purchase 25,000 shares of our common stock. This initial option was granted on the date on which an optionee first became a nonemployee director of Seattle Genetics. Srinivas Akkaraju and Felix Baker were not granted an initial option 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. In addition, on the date of each annual meeting of stockholders, each nonemployee director has been granted an annual nonstatutory stock option to purchase shares of common stock under the Directors' Plan if, on such date, he or she had served on the Board for at least six months. In 2010, the annual options under the Directors' Plan were for 17,500 shares of common stock. Although our Directors' Plan expired in March 2011, we anticipate that our Board of Directors will continue our equity compensation arrangements for nonemployee directors and will adopt a policy to make initial and annual grants pursuant to our Amended and Restated 2007 Equity Incentive Plan on the same terms (including, initially, the size of the grants and vesting terms) as described herein for initial and annual grants under the Directors' Plan. Accordingly, Felix Baker, 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 17,500 shares of common stock under the Amended and Restated 2007 Equity Incentive Plan on the date of the Annual Meeting. Both initial options and annual options under the Directors' Plan have ten year terms and are subject to adjustment to reflect any stock splits, stock dividends, combinations or similar transactions.

The annual options under the Directors' Plan become fully exercisable on the day before the anniversary of the date of grant of the annual option, and the initial options under the Directors' Plan become exercisable as to $1/4^{\text{th}}$ of the shares subject to the initial option on the first anniversary of the date of grant and as to $1/36^{\text{th}}$ of the remaining shares subject to the initial option ratably each month thereafter. In addition, all nonemployee directors receive full acceleration of vesting of any outstanding options under the Directors' Plan immediately prior to a change in control of Seattle Genetics. The exercise price of the 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. The options under the Directors' Plan remain exercisable for up to ninety days following the optionee's termination of service as a

member of the Board of Directors, 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, Marc E. Lippman, Franklin M. Berger, Srinivas Akkaraju, David W. Gryska, John P. McLaughlin, Daniel G. Welch, and Daniel F. Hoth, a former director who resigned in September 2010, each received an annual option under the Directors' Plan for 17,500 shares on May 21, 2010, the date of our 2010 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 grants under the Directors' 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 directors were in compliance with these director ownership guidelines as of December 31, 2010, the date the Nominating and Corporate Governance Committee used to assess such compliance for 2010.

Consulting Arrangement. In 2010, Dr. Hoth, who resigned from the Board in September 2010, provided consulting services involving clinical and drug development matters to Seattle Genetics. As indicated in the below table, Seattle Genetics paid Dr. Hoth \$4,461 for his consulting services during 2010 pursuant to the Consulting Agreement between Seattle Genetics and Hoth Consulting Inc. dated June 8, 2006. Under this agreement, Dr. Hoth (through Hoth Consulting) assists Seattle Genetics from time to time with development of its product candidates on a time and expenses basis. The agreement is terminable by either party, with or without cause, on thirty days' written notice to the other party.

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 December 2009, Compensia, Inc., our Compensation Committee's compensation consultant, conducted a survey of director compensation at our peer group companies listed under the heading "Compensation Discussion and Analysis Compensation Philosophy and Objectives", 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 to better reflect the average compensation received by members of the boards of directors of our peer companies.

Director Compensation Table. The following table sets forth all of the compensation awarded to, earned by, or paid to each person who served as a nonemployee director during 2010. Dr. Siegall, our only employee director, receives no compensation for Board service but is reimbursed for reasonable and customary travel expenses.

| Name | Fees Earned or Paid in Cash (\$) | Option Awards (\$)(1)(10) | All Other Compensation (\$) | Total (\$) |
|------------------------------------|--|------------------------------|-----------------------------------|---------------|
| Marc E. Lippman, M.D. (2) | 43,000 | 102,484 | | 145,484 |
| Franklin M. Berger (3) | 63,000 | 102,484 | | 165,484 |
| Srinivas Akkaraju, M.D., Ph.D. (4) | 45,000 | 102,484 | | 147,484 |
| David W. Gryska (5) | 56,000 | 102,484 | | 158,484 |
| Felix Baker, Ph.D. (6) | 67,000 | 102,484 | | 169,484 |
| Daniel F. Hoth, M.D. (7) | 30,000 | 102,484 | 4,461 | 136,945 |
| John P. McLaughlin (8) | 50,000 | 102,484 | | 152,484 |
| Daniel G. Welch (9) | 46,000 | 102,484 | | 148,484 |

- (1) The amounts in this column represent the aggregate full grant date fair value of options granted during 2010 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 10 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.
- (2) Dr. Lippman was a member of our Nominating and Corporate Governance Committee in 2010. The fees earned include a \$40,000 retainer for Board service, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (3) Mr. Berger was chairman of our Audit Committee and a member of our Nominating and Corporate Governance Committee in 2010. The fees earned include a \$40,000 retainer for Board service, a \$20,000 retainer for service as the chairman of our Audit Committee, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (4) Dr. Akkaraju was chairman of our Nominating and Corporate Governance Committee in 2010. The fees earned include a \$40,000 retainer for Board service and a \$5,000 retainer for service as the chairman of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (5) Mr. Gryska was a member of our Audit Committee and Compensation Committee in 2010. The fees earned include a \$40,000 retainer for Board service, a \$10,000 retainer for service as a member of the Audit Committee, and a \$6,000 retainer for service as a member of the Compensation Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (6) Dr. Baker was our lead independent director, chairman of our Compensation Committee and a member of our Nominating and Corporate Governance Committee in 2010. The fees earned include a \$40,000 retainer for Board service, a \$12,000 retainer for service as the lead independent director, a \$12,000 retainer for service as the chairman of our Compensation Committee, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (7) The fees earned include a \$30,000 retainer for Board service. Dr. Hoth resigned from the Board in September 2010 and accordingly did not receive the final installment of the standard \$40,000 outside director retainer. The option awards amount represents the grant date fair value of an option granted on May 21, 2010. As a result of his resignation, Dr. Hoth's option granted in 2010 expired without vesting. The All Other Compensation amount represents fees earned by Dr. Hoth for providing consulting services to Seattle Genetics.
- (8) Mr. McLaughlin was a member of our Audit Committee in 2010. The fees earned include a \$40,000 retainer for Board service, and a \$10,000 retainer for service as a member of our Audit Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (9) Mr. Welch was a member of our Compensation Committee in 2010. The fees earned include a \$40,000 retainer for Board service, and a \$6,000 retainer for service as a member of our Compensation Committee. The option awards amount represents the grant date fair value of an option granted on May 21, 2010.
- (10) As of December 31, 2010, our nonemployee directors held outstanding options to purchase the following number of shares of our common stock: Dr. Baker (77,500); Dr. Lippman (126,666); Mr. Berger (37,500); Dr. Akkaraju (27,500); Mr. Gryska (64,500); Mr. McLaughlin (62,500) and Mr. Welch (62,500). As of December 31, 2010, all of the options granted to Dr. Hoth had been previously exercised or had expired.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 25, 2011 (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 officers and directors as a group. Unless otherwise indicated, the address of the individuals and entities below is c/o Seattle Genetics, Inc., 21823 30th Drive S.E., Bothell, WA 98021.

| Name and Address | Total Common Stock Equivalents (1) | Percent of Common Stock Equivalents (2) |
|---|---------------------------------------|---|
| Felix Baker, Ph.D. (3) Baker Brothers Investments 667 Madison Ave, 17th Floor New York, NY 10021 | 19,283,142 | 17.6% |
| FMR LLC (4) 82 Devonshire Street Boston, MA 02109 | 15,207,689 | 13.4% |
| Wellington Management Company, LLC (5) 75 State Street Boston, MA 02109 | 8,933,329 | 7.9% |
| PRIMECAP Management Company (6) 225 South Lake Avenue Pasadena, CA 91101 | 6,110,600 | 5.4% |
| Clay B. Siegall, Ph.D. (7) | 2,028,278 | 1.8% |
| Todd E. Simpson (8) | 478,773 | * |
| Eric L. Dobmeier (9) | 486,672 | * |
| Thomas C. Reynolds, M.D., Ph.D. (10) | 393,740 | * |
| Bruce J. Seeley (11) | 80,760 | * |
| Marc E. Lippman, M.D. (12) | 202,950 | * |
| Franklin M. Berger (13) | 194,220 | * |
| David W. Gryska (14) | 89,500 | * |
| Srinivas Akkaraju, M.D., Ph.D. (15) | 37,905 | * |
| John P. McLaughlin (16) | 61,979 | * |
| Daniel G. Welch (17) | 61,979 | * |
| All directors & officers as a group (18) | 20,658,957 | 21.95% |

* 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 conversion, option or warrant exercise or otherwise, within 60 days after March 25, 2011.

(2) Percentage of common stock equivalents is based on a total of 113,464,019 shares of common stock outstanding as of March 25, 2011. For each named person, the percentage ownership includes stock that the person has the right to acquire within 60 days after March 25, 2011,

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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, 2010.

- (3) Includes 400,898 shares of common stock and 49,563 shares of common stock issuable upon exercise of warrants owned by Baker/Tisch Investments, L.P., 233,020 shares of common stock and 33,475 shares of common stock issuable upon exercise of warrants owned by Baker Bros. Investments, L.P., 248,870 shares of common stock and 34,531 shares of common stock issuable upon exercise of warrants owned by Baker Bros. Investments II, L.P., 4,626,213 shares of common stock and 339,788 shares of common stock issuable upon exercise of warrants owned by 667, L.P., 13,470,692 shares of common stock and 355,143 shares of common stock issuable upon exercise of warrants owned by Baker Brothers Life Sciences, L.P. and 303,449 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 77,500 shares issuable upon exercise of options held by Dr. Baker that are exercisable within 60 days of March 25, 2011.
- (4) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting persons on February 14, 2011. The beneficial ownership of such reporting person may have changed between such date and March 25, 2011. According to the Schedule 13G/A, FMR LLC has sole power to vote or direct the vote of 2,800 shares of common stock and sole power to dispose or to direct the disposition of 15,207,689 shares of common stock.
- (5) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting person on February 14, 2011. The beneficial ownership of such reporting person may have changed between such date and March 25, 2011. According to the Schedule 13G, Wellington Management Company, LLP has shared power to vote or direct the vote of 6,580,769 shares of common stock and shared power to dispose or to direct the disposition of 8,933,329 shares of common stock.
- (6) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting person on February 14, 2011. The beneficial ownership of such reporting person may have changed between such date and March 25, 2011. According to the Schedule 13G, PRIMECAP Management Company has sole power to vote or direct the vote of 5,021,700 shares of common stock and sole power to dispose or to direct the disposition of 6,110,060 shares of common stock.
- (7) Includes 997,601 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (8) Includes 469,414 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (9) Includes 460,870 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (10) Includes 386,881 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (11) Includes 79,165 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (12) Includes 99,375 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (13) Includes 37,500 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.
- (14) Includes 64,500 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.

- (15) Includes 27,500 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.

- (16) Consists solely of 61,979 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.

- (17) Consists solely of 61,979 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 25, 2011.

- (18) Includes 3,366,380 shares of common stock issuable upon exercise of options and warrants that are exercisable within 60 days of March 25, 2011.

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, and, except for the filings described below, we believe that during the fiscal year ended December 31, 2010, all of these reporting persons complied with all applicable filing requirements. However, our seven executive officers (Clay B. Siegall, Todd E. Simpson, Eric L. Dobmeier, Thomas C. Reynolds, Morris Z. Rosenberg, Vaughn B. Himes and Bruce J. Seeley) each filed a Form 4 four days late, in each case to report the grant of a stock option that occurred in August 2010.

PROPOSAL NO. 2

APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE SEATTLE GENETICS, INC.

AMENDED AND RESTATED 2000 EMPLOYEE STOCK PURCHASE PLAN

In November 2000, the Board adopted, and the stockholders subsequently approved, the Seattle Genetics, Inc. 2000 Employee Stock Purchase Plan, or ESPP. On February 1, 2011, the Board approved the amendment and restatement of the ESPP, and on February 11, 2011, subject to stockholder approval, approved the further amendment and restatement of the ESPP to increase the number of shares authorized for issuance under the ESPP by 700,000 shares of common stock. The Board approved the further amendment and restatement of the ESPP on February 11, 2011 (we refer to the ESPP, as amended and restated by the Board on February 11, 2011, as the Amended ESPP throughout this proxy statement) principally because there existed insufficient shares available to meet projected purchase requests from our employees. The Amended ESPP will not become effective unless it is approved by our stockholders. As of March 25, 2011, 1,197,037 shares had been purchased under the ESPP and only 196,190 shares remained available for purchases under the ESPP without taking into account the 700,000 shares to be added if the proposed Amended ESPP is approved by the stockholders. A total of 113,464,019 shares of our common stock were outstanding as of March 25, 2011. As of March 25, 2011, we had 381 employees, including officers, that were eligible to participate in the ESPP.

If the Amended ESPP is approved by the stockholders, the Amended ESPP will become immediately effective. If the Amended ESPP is not approved by the stockholders, we may continue to issue shares purchased by employees under the ESPP (as amended and restated on February 1, 2011) until the existing pool of 196,190 shares is exhausted. The Amended ESPP is intended to ensure that our compensation is competitive and that we are able to continue to provide sufficient equity incentives to attract and retain highly qualified and experienced employees and officers. The Board believes that approval of the Amended ESPP is in the best interests of Seattle Genetics and its stockholders because the availability of an adequate reserve of shares under the Amended ESPP is an important factor in attracting, motivating and retaining qualified officers and employees essential to our success and in aligning their long-term interests with those of the stockholders.

During the fiscal year ended December 31, 2010, shares of our common stock were purchased for the persons and groups of persons set forth below in the amounts and at the weighted average prices per share under the ESPP as follows: Todd E. Simpson purchased 2,107 shares at a weighted average price per share of \$8.7664; Thomas C. Reynolds purchased 2,264 shares at a weighted average price per share of \$8.7265; Eric L. Dobmeier purchased 633 shares at a weighted average price per share of \$8.6955; and Bruce J. Seeley purchased 664 shares at a weighted average price per share of \$8.6870; all current executive officers as a group purchased 5,668 shares at a weighted average price per share of \$8.7333; and all employees as a group purchased 173,379 shares at a weighted average price per share of \$8.6844. Clay B. Siegall did not purchase any shares under the ESPP in 2010.

Amended and Restated 2000 Employee Stock Purchase Plan

The following is a summary of the Amended ESPP and is qualified in its entirety by reference to the Amended ESPP, a copy of which is attached hereto as Appendix A.

Administration. Our Board administers the Amended ESPP unless it delegates administration to a committee. The Board has delegated the administration of the Amended ESPP to our Compensation Committee. Nevertheless, the Board has the final power to determine all questions of policy and expediency that may arise in the administration of the Amended ESPP. The Board (or the Compensation Committee) has the authority to construe, interpret and amend the Amended ESPP as well as to determine the terms of rights granted under the Amended ESPP.

Share Reserve Proposed Amendment. The ESPP initially authorized the issuance of 300,000 shares of our common stock pursuant to purchase rights granted to eligible employees. The number of shares of common

stock initially reserved for issuance was automatically increased (each, an Automatic Increase) on the first day of each of our fiscal years for eight years, starting in 2002, by a number of shares equal to the lesser of:

1.0% of our outstanding shares on the last day of the immediately preceding fiscal year; or

300,000 shares.

Each Automatic Increase was subject to reduction by the Board of Directors. Pursuant to the Automatic Increases, an additional 1,093,227 shares were made available for purchase under the ESPP between 2000 and 2008. Under the Amended ESPP, an additional 700,000 shares of our common stock will be made available for future purchases under the Amended ESPP, but the Automatic Increase provision has terminated and therefore no additional shares will be made available for purchase without stockholder approval.

Eligibility. The Amended ESPP is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Internal Revenue Code (the Code). The Amended ESPP provides a means by which eligible employees may purchase our common stock through payroll deductions. Generally, all of our full-time employees may participate in offerings under the Amended ESPP. However, no employee may participate in the Amended ESPP if immediately after we grant the employee a purchase right, such employee would have voting power over 5% or more of our outstanding capital stock. In addition, part-time or seasonal employees who are customarily employed for twenty hours or less per week or five months or less per calendar year are not eligible to participate in the Amended ESPP.

Offerings. The Amended ESPP is implemented through a series of offerings of purchase rights to eligible employees. The Board of Directors has the authority to set the terms of an offering. The Amended ESPP provides that the current offering will be followed by an offering that will commence on August 1, 2011 and will end on January 31, 2012. Thereafter, consecutive six-month offerings commence on each February 1 and August 1, with purchase dates on July 31 and January 31, respectively. An offering may be terminated under certain circumstances. Common stock is purchased for accounts of participating employees at a price per share equal to the lower of:

85% of the fair market value of a share on the first day of the offering; or

85% of the fair market value of a share on the purchase date.

The fair market value is the closing sales price (rounded up where necessary to the nearest whole cent) for our shares (or the closing bid, if no sales were reported) as quoted on the NASDAQ Global Select Market on the date of determination, as reported in such source as the Board deems reliable. As of March 30, 2011, the last reported sale price of our common stock as quoted on the NASDAQ Global Select Market was \$15.28 per share.

The Board of Directors has determined that participating employees may authorize payroll deductions of up to 20% of their compensation for the purchase of stock under the Amended ESPP. An employee may end his or her participation in an offering at any time up to ten days before a purchase date. An employee's participation ends automatically on termination of his or her employment.

Other Limitations. A participant's right to purchase our common stock under the Amended ESPP, plus any other purchase plans that may be established by Seattle Genetics or its affiliates, is limited. An employee may not accrue the right to purchase stock at a rate of more than \$25,000 of the fair market value of our common stock for each calendar year in which the purchase right is outstanding. We determine the fair market value of our common stock, for the purpose of this limitation, as of the first day of an offering. Additionally, no employee may purchase more than 2,000 shares in any offering.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split, appropriate adjustments will be made to (i) the number of shares reserved under the Amended ESPP, and (ii) the number of shares and purchase limits of all outstanding purchase rights.

Corporate Transactions. In the event of certain significant corporate transactions, as described in the Amended ESPP, the surviving or acquiring corporation will either assume or substitute outstanding purchase rights. If the surviving or acquiring corporation refuses to assume or substitute such purchase rights, then, as determined by the Board in its discretion, such rights may continue in full force and effect or the participants' accumulated contributions may be used to purchase shares of our common stock immediately prior to such corporate transaction, and such purchase rights will terminate immediately thereafter.

Duration, Amendment and Termination. The Board of Directors may suspend or terminate the Amended ESPP at any time. Unless terminated earlier, the Amended ESPP will terminate when all shares of common stock reserved for issuance under the Amended ESPP, as increased and/or adjusted from time to time, have been issued. The Board of Directors may amend the Amended ESPP at any time. However, except as to adjustments upon changes in securities or as to minor amendments to benefit the administration of the Amended ESPP, to take into account of legislation or to obtain or maintain favorable tax treatment, exchange control or regulatory treatment for participants, Seattle Genetics or any of its affiliates, no amendment will be effective unless approved by our stockholders to the extent such stockholder approval is necessary for the Amended ESPP to satisfy Section 423 of the Code, Rule 16b-3 under the Exchange Act and any NASDAQ or other securities exchange listing requirements. Rights granted before amendment or termination of the Amended ESPP will not be impaired by such amendment or termination, except (i) as expressly provided in the Amended ESPP, (ii) with the consent of the participant or (iii) as necessary to comply with any laws or governmental regulations, including Section 423 of the Code.

Federal Income Tax Information. Rights granted under the Amended ESPP are intended to qualify for favorable federal income tax treatment associated with rights granted under an employee stock purchase plan which qualifies under provisions of Section 423 of the Code.

A participant will be taxed on amounts withheld for the purchase of common stock as if such amounts were actually received. Otherwise, no income will be taxable to a participant until disposition of the acquired shares, and the method of taxation will depend upon the holding period of the acquired shares. If the stock is disposed of more than two years after the beginning of the offering period and more than one year after the stock is transferred to the participant, then the lesser of (i) the excess of the fair market value of the stock at the time of such disposition over the purchase price or (ii) 15% of the fair market value of the stock as of the beginning of the offering period will be treated as ordinary income. Any further gain or any loss will be taxed as a long-term capital gain or loss. At present, such capital gains generally are subject to lower tax rates than ordinary income.

If the stock is sold or disposed of before the expiration of either of the holding periods described above, then the excess of the fair market value of the stock on the purchase date over the purchase price will be treated as ordinary income at the time of such disposition. The balance of any gain will be treated as capital gain. Even if the stock is later disposed of for less than its fair market value on the purchase date, the same amount of ordinary income is attributed to the participant, and a capital loss is recognized equal to the difference between the sales price and the fair market value of the stock on such purchase date. Any capital gain or loss will be short-term or long-term, depending on how long the stock has been held.

There are no federal income tax consequences to Seattle Genetics by reason of the grant or exercise of rights under the Amended ESPP. Seattle Genetics is entitled to a deduction to the extent amounts are taxed as ordinary income to a participant for stock sold or disposed of before the expiration of the holding periods described above (subject to the requirement of reasonableness and the satisfaction of tax reporting obligations).

Stockholder approval of this Proposal No. 2 will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

THE BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL NO. 2

PROPOSAL NO. 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since June 1998. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting. This representative will have an opportunity to make a statement and will be available to respond to appropriate questions.

Stockholder ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm is not required by our bylaws or other governing documents. However, the Board is submitting the appointment of PricewaterhouseCoopers LLP to the stockholders for ratification as a matter of good corporate governance. While the Audit Committee is not bound by a vote either for or against the proposal, it will consider a vote against PricewaterhouseCoopers LLP by the stockholders in selecting our independent registered public accounting firm in the future. Even if the stockholders do ratify the appointment, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it believes that such a change would be in the best interests of Seattle Genetics and its stockholders.

Stockholder approval of this Proposal No. 3 will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

ON BEHALF OF THE AUDIT COMMITTEE, THE BOARD RECOMMENDS A VOTE FOR

THIS PROPOSAL NO. 3.

Independent Registered Public Accounting Firm Fees

PricewaterhouseCoopers LLP served as our independent registered public accounting firm for the years 2010 and 2009 and billed us aggregate fees for services rendered as follows:

| Type of Fees | 2010 | 2009 |
|--------------------|-------------------|-------------------|
| Audit Fees | \$ 400,000 | \$ 493,600 |
| Audit-Related Fees | | 26,000 |
| Tax Fees | 19,301 | 24,402 |
| All Other Fees | 36,500 | 1,500 |
| Total fees | \$ 455,801 | \$ 545,502 |

Audit Fees. Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings, including fees for professional services related to our follow-on public offerings in January 2009 and August 2009, and to the filing of our registration statements on Form S-3 in January and May 2009.

Audit-Related Fees. Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under Audit Fees. There were no audit-related fees billed to Seattle Genetics for services rendered during fiscal 2010. In 2009, these fees related to assistance with accounting for income taxes.

Tax Fees. Tax fees principally included tax compliance, tax advice and tax planning fees.

All Other Fees. All other fees include any fees billed that are not audit, audit related, or tax fees. In 2010, these fees primarily related to consultations in connection with one of our collaboration agreements and the cost of access to an accounting research tool. In 2009, these fees primarily related to the cost of access to an accounting research tool.

Pre-Approval Policies and Procedures

In October 2006, the Audit Committee adopted an Audit and Audit-Related Services Pre-Approval Policy, or the Policy, which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent registered public accounting firm may be pre-approved. Proposed services either may be pre-approved by the Audit Committee without consideration of specific case-by-case services (i.e., general pre-approval) or require the specific pre-approval of the Audit Committee (i.e., specific pre-approval). The Audit Committee believes that the combination of these two approaches has resulted in an effective and efficient procedure to pre-approve services performed by the independent registered public accounting firm. As set forth in the Policy, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the independent registered public accounting firm. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee. In addition, the Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve services not prohibited by the Policy to be performed by our independent registered public accounting firm and associated fees up to \$25,000, provided that the Chair is required to report any decision to pre-approve such audit-related or non-audit services and fees to the full Audit Committee for ratification at its next regular meeting. All audit-related and non-audit related services performed by our independent registered public accounting firm in 2010 were pre-approved.

AUDIT COMMITTEE REPORT (1)

The Audit Committee of the Board of Directors is currently comprised of three independent directors and operates under a written charter originally adopted by the Board of Directors in March 2001, which charter is reviewed on an annual basis and amended as necessary by the Board of Directors upon recommendation by the Audit Committee.

The members of the Audit Committee are currently Franklin M. Berger (chairman), David W. Gryska and John P. McLaughlin. Each of the members of the Audit Committee is an independent director as currently defined in Rules 5605(c)(2)(A)(i) and (ii) of the NASDAQ listing standards and Rule 10A-3 of the Exchange Act of 1934. The Board of Directors has also determined that Franklin M. Berger is an audit committee financial expert as described in applicable rules and regulations of the Securities and Exchange Commission.

The Audit Committee appoints an accounting firm as our independent registered public accounting firm. The independent registered public accounting firm is responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and to issue a report thereon. Management is responsible for our internal controls and the financial reporting process. The Audit Committee is responsible for monitoring and overseeing these processes.

The Audit Committee held five meetings during 2010. The meetings were designed to provide information to the Audit Committee necessary for it to conduct its oversight function of the external financial reporting activities and audit process of Seattle Genetics, and to facilitate and encourage communication between the Audit Committee, management and our independent registered public accounting firm, PricewaterhouseCoopers LLP. Management represented to the Audit Committee that our financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee reviewed and discussed the audited financial statements for fiscal year 2010 with management and the independent registered public accounting firm. The Audit Committee also instructed the independent registered public accounting firm that the Audit Committee expects to be advised if there are any subjects that require special attention.

The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T.

The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm, PricewaterhouseCoopers LLP, required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP that firm's independence.

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements and the audited assessment of internal control over financial reporting be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

The Audit Committee of the Board of Directors of Seattle Genetics, Inc.:

Franklin M. Berger (chairman)

David W. Gryska

John P. McLaughlin

- (1) The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of Seattle Genetics under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

PROPOSAL NO. 4

APPROVAL OF INCREASE IN NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

Our Board of Directors is requesting stockholder approval of an amendment to our Fourth Amended and Restated Certificate of Incorporation, or our Restated Certificate, to increase the number of authorized shares of our common stock from 150,000,000 shares to 250,000,000 shares. On March 16, 2011, our Board of Directors adopted resolutions approving and authorizing the foregoing amendment and directing that the amendment be submitted to a vote of the stockholders at the Annual Meeting.

The text of the form of proposed Certificate of Amendment of Fourth Amended and Restated Certificate of Incorporation, or Certificate of Amendment, increasing the number of authorized shares of our common stock from 150,000,000 shares to 250,000,000 shares is attached to this proxy statement as Appendix B. If our stockholders approve this Proposal No. 4, we expect to file the Certificate of Amendment with the Secretary of State of the State of Delaware to increase the number of authorized shares of our common stock as soon as practicable following stockholder approval. Upon filing of the Certificate of Amendment with the Secretary of State of the State of Delaware, Article IV(A) of our Restated Certificate will read as follows:

(A) This Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares which the Corporation is authorized to issue is Two Hundred Fifty-Five Million (255,000,000) shares, each with a par value of \$0.001 per share. Two Hundred Fifty Million (250,000,000) shares shall be Common Sto