

GEN PROBE INC
Form DEF 14A
April 06, 2011

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)**

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Gen-Probe Incorporated

(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):

No fee required.

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

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

**10210 Genetic Center Drive
San Diego, California 92121**

Dear Fellow Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Gen-Probe Incorporated (the Company) on Thursday, May 19, 2011 at our corporate headquarters, located at 10210 Genetic Center Drive, San Diego, California 92121. The formal meeting will begin at 10:00 a.m., at which time we will ask you to vote on the following five proposals: Proposal 1: Election of three directors whose term of office will expire in 2014; Proposal 2: Amendment and restatement of The 2003 Incentive Award Plan of the Company; Proposal 3: Advisory vote on executive compensation; Proposal 4: Advisory vote on the frequency of holding future advisory votes on executive compensation; and Proposal 5: Ratification of the Company's independent registered public accounting firm. Following the meeting, we will report on the Company's business.

We are pleased to once again be in a position to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that the e-proxy process we have utilized in recent years has expedited stockholders' receipt of proxy materials and lowered the costs and reduced the environmental impact of our Annual Meetings. On or about April 6, 2011, we mailed to many stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our Proxy Statement and Annual Report and vote online. Stockholders who have previously requested paper copies of our proxy materials will receive these materials in the mail consistent with prior years. The Proxy Statement contains instructions on how you may (i) receive a paper copy of the Proxy Statement and Annual Report, if you only received a Notice of Internet Availability of Proxy Materials by mail, or (ii) elect to receive your Proxy Statement and Annual Report over the Internet in future years, if you received them by mail this year.

Whether or not you plan to attend the meeting, your vote is important and we encourage you to vote promptly. You may vote your shares in a variety of ways: over the Internet; via a toll-free telephone number; by completing, signing and returning a proxy card in the envelope provided; or by attending the Annual Meeting. Instructions regarding all methods of voting are contained in the Proxy Statement.

Your vote is very important to us. The items of business to be considered at the Annual Meeting are more fully described in the accompanying Proxy Statement. Please review the proxy materials and vote today.

Sincerely,

Carl W. Hull
President, Chief Executive Officer and Director

Henry L. Nordhoff
Chairman of the Board

Table of Contents

**10210 Genetic Center Drive
San Diego, California 92121**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On May 19, 2011**

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Gen-Probe Incorporated, a Delaware corporation (the Company). The meeting will be held on Thursday, May 19, 2011 at 10:00 a.m. local time at the corporate headquarters of the Company, located at 10210 Genetic Center Drive, San Diego, California 92121, for the following purposes:

1. To elect the three nominees for director named herein to hold office until the Company's 2014 Annual Meeting of Stockholders;
2. To approve the amendment and restatement of The 2003 Incentive Award Plan of the Company as described herein;
3. To approve, on an advisory basis, the compensation of the Company's named executive officers;
4. To indicate, on an advisory basis, the preferred frequency of holding future stockholder advisory votes on the compensation of the Company's named executive officers;
5. To ratify the selection by the Audit Committee of the Board of Directors of Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending December 31, 2011; and
6. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the accompanying Proxy Statement.

The record date for the Annual Meeting is March 25, 2011. Only stockholders of record at the close of business on that date may vote at the meeting or any postponement or adjournment thereof.

By Order of the Board of Directors:

Sincerely,

Carl W. Hull
President, Chief Executive Officer and Director

Henry L. Nordhoff
Chairman of the Board

San Diego, California
April 6, 2011

You are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please vote over the Internet or by telephone as instructed in these materials, or complete, date, sign and return the enclosed proxy if you received a proxy card by mail, as promptly as possible in order to ensure your representation at the meeting. If you received a Notice of Internet Availability of Proxy

Materials, please follow the instructions in the Notice to vote your shares on the Internet. If you received these proxy materials and a proxy card by mail, a return envelope (which is postage prepaid if mailed within the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from that record holder.

TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held On May 19, 2011
PROXY STATEMENT FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS May 19, 2011
QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING PROCEDURES
PROPOSAL 1 ELECTION OF DIRECTORS
INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE
EQUITY COMPENSATION PLAN INFORMATION
PROPOSAL 2 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE COMPANY'S
2003 INCENTIVE AWARD PLAN
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
EXECUTIVES
EXECUTIVE COMPENSATION
SUMMARY COMPENSATION TABLE
PROPOSAL 3 APPROVAL OF NAMED EXECUTIVE OFFICER COMPENSATION
PROPOSAL 4 ADVISORY VOTE ON THE FREQUENCY OF SOLICITING FUTURE
STOCKHOLDER ADVISORY VOTES ON THE COMPENATION OF OUR NAMED EXECUTIVE
OFFICERS
PROPOSAL 5 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM
RELATED-PERSON TRANSACTIONS POLICY AND PROCEDURES
CERTAIN RELATED-PERSON TRANSACTIONS
HOUSEHOLDING OF PROXY MATERIALS
OTHER MATTERS
THE 2003 INCENTIVE AWARD PLAN OF GEN-PROBE INCORPORATED

Table of Contents

GEN-PROBE INCORPORATED

10210 Genetic Center Drive

San Diego, California 92121

PROXY STATEMENT

FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS

May 19, 2011

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING PROCEDURES

Why am I receiving these materials?

The Board of Directors of Gen-Probe Incorporated (the Company or Gen-Probe) has made these proxy materials available to you on the Internet or has delivered printed versions of these materials to you by mail, because the Board of Directors (sometimes referred to herein as the Board) is soliciting your proxy to vote at the Company's 2011 Annual Meeting of Stockholders (the Annual Meeting). You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the Annual Meeting to vote your shares.

Why did I receive a brief notice in the mail regarding the Internet availability of proxy materials rather than a printed proxy statement and annual report?

On or about April 6, 2011, we intend to mail a Notice of Internet Availability of Proxy Materials (the Notice) to all stockholders of record entitled to vote at the Annual Meeting, except for stockholders who have previously requested a printed copy of this proxy statement, our annual report and a proxy card. Stockholders who have previously requested printed copies of our proxy materials will receive a printed set of those documents in the mail rather than the Notice.

As permitted by rules adopted by the Securities and Exchange Commission (the SEC), we are making this proxy statement and our annual report available to our stockholders electronically via the Internet. Accordingly, we are sending by mail the Notice to our stockholders of record containing instructions on how to access our proxy materials and vote by proxy over the Internet. To vote your shares on the Internet, please follow the instructions contained in the Notice. All stockholders have the ability to access the proxy materials on a website referred to in the Notice or request the delivery of a printed set of proxy materials. If you received the Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on March 25, 2011 will be entitled to vote at the Annual Meeting. On this record date, there were 47,757,980 shares of Company common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If, on March 25, 2011, your shares were registered directly in your name with our transfer agent, Mellon Investor Services, LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy on the Internet or over the telephone, or complete, sign and return a proxy card as instructed below, to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If, on March 25, 2011, your shares were held not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and the Notice or these proxy materials are being forwarded to you by that organization. The organization holding your

Table of Contents

account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

What proposals am I voting on?

There are five matters scheduled for a vote at the Annual Meeting:

the election of three nominees for director named herein to hold office until the Company's 2014 Annual Meeting of Stockholders (Proposal 1 (Election of Directors));

the amendment and restatement of The 2003 Incentive Award Plan of the Company (the 2003 Plan) as described herein (Proposal 2 (Amendment to the 2003 Plan));

the advisory approval of the compensation of our named executive officers as disclosed herein (Proposal 3 (2010 Say on Pay));

the advisory indication of the preferred frequency of holding future stockholder advisory votes on the compensation of our named executive officers (Proposal 4 (Say on Frequency)); and

the ratification of the selection by the Audit Committee of the Board of Ernst & Young LLP as the Company's independent registered public accounting firm for our fiscal year ending December 31, 2011 (Proposal 5 (Ratification of Independent Accounting Firm)).

How do I vote?

You may either vote For all nominees for director or you may Withhold your vote for any nominee you specify. For each of the other matters subject to a vote at the Annual Meeting other than Proposal 4 (Say on Frequency), you may vote For or Against or abstain from voting. For Proposal 4 (Say on Frequency), you may elect to cast an advisory vote for the Company to submit a non-binding advisory vote regarding the compensation of our named executive officers to our stockholders every 1 Year, 2 Years or 3 Years, or you may abstain from voting. The procedures for voting are set forth below:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy over the telephone, vote by proxy on the Internet or vote by proxy using a proxy card. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person if you have already voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote over the telephone, dial 1-800-690-6903 (toll-free for those calling from the USA, Canada and Puerto Rico only) using a touch-tone telephone and follow the recorded instructions. You will be asked to provide the control number from the Notice or the proxy card mailed to you. Your vote must be received by 11:59 p.m. Eastern Time on May 18, 2011 to be counted.

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To vote on the Internet, go to <http://www.proxyvote.com> to complete an electronic proxy card. You will be asked to provide the control number from the Notice or the proxy card mailed to you. Your vote must be received by 11:59 p.m. Eastern Time on May 18, 2011 to be counted.

To vote using a proxy card, simply complete, sign and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct. If you received a Notice and would like to request a proxy card by mail, please follow the instructions contained in the Notice.

Table of Contents

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or other Agent

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should receive the Notice, or a proxy card and voting instructions with these proxy materials, from that organization rather than from Gen-Probe. Simply follow the instructions in the Notice to vote on the Internet or, if you received a proxy card by mail, complete, sign and return the proxy card, to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker, bank or other agent included in the Notice or with these proxy materials, or contact your broker, bank or other agent to request a proxy form.

We provide telephone and Internet proxy voting to allow you to vote your shares telephonically and on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your telephone or Internet access, such as usage charges from telephone companies and Internet access providers.

How many votes do I have?

On each matter subject to a vote at the Annual Meeting, you have one vote for each share of Gen-Probe common stock you owned as of March 25, 2011.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted For the election of all three nominees for director under Proposal 1 (Election of Directors), For Proposal 2 (Amendment to the 2003 Plan), For Proposal 3 (2010 Say on Pay), every 1 Year for Proposal 4 (Say on Frequency), and For Proposal 5 (Ratification of Independent Accounting Firm). If any other matters are properly presented at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his best judgment.

Who is paying for this proxy solicitation?

Gen-Probe will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. The solicitation of proxies may also be supplemented through the use of Alliance Advisors LLC, a proxy solicitation firm. If used, our proxy solicitation firm will receive a customary fee, which we estimate to be approximately \$10,000, plus out-of-pocket expenses. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one Notice or proxy card?

If you receive more than one Notice or proxy card, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions in **each** Notice, or complete, sign and return **each** proxy card, to ensure that all of your shares are voted.

Can I revoke or change my vote after submitting my proxy?

Yes. You can revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy and change your vote in any one of four ways:

you may submit another properly completed proxy card with a later date;

you may vote again by telephone or over the Internet at a later time;

you may send a written notice that you are revoking your proxy to Gen-Probe's Corporate Secretary at 10210 Genetic Center Drive, San Diego, California 92121; or

Table of Contents

you may attend the Annual Meeting and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy or change your vote.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

When are stockholder proposals due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 8, 2011 to Gen-Probe's Corporate Secretary at 10210 Genetic Center Drive, San Diego, California 92121. If you wish to submit a proposal that is not to be included in next year's proxy materials or nominate a director, then, pursuant to our Amended and Restated Bylaws, you must do so no earlier than January 20, 2012 and no later than February 19, 2012. Please also review our Amended and Restated Bylaws, which contain additional requirements regarding advance notice of stockholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the Annual Meeting.

For Proposal 1 (Election of Directors), the inspector of election will separately count For and Withhold votes and broker non-votes. For all other proposals except Proposal 4 (Say on Frequency), the inspector of election will separately count For and Against votes, abstentions and broker non-votes. With respect to Proposal 4 (Say on Frequency), the inspector of election will separately count votes for every 1 Year, 2 Years and 3 Years, as well as abstentions and broker non-votes.

Abstentions will be counted for determining whether a quorum of stockholders is present at the Annual Meeting. Except with respect to Proposal 1 (Election of Directors) and Proposal 4 (Say on Frequency), abstentions will be counted towards the vote total for each proposal and have the same effect as Against votes. With respect to Proposal 1 (Election of Directors) and Proposal 4 (Say on Frequency), abstentions will have no effect and will not be counted towards the vote total.

Broker non-votes will be counted as present for determining whether a quorum of stockholders is present at the Annual Meeting, but will not be counted towards the vote total for any proposal.

What are broker non-votes ?

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed non-routine. Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Under the rules and interpretations of the New York Stock Exchange (NYSE), which apply to its membership brokerage firms, non-routine matters are generally those involving a proxy contest, matters that may substantially affect the rights or privileges of stockholders, such as mergers and certain equity plan matters, stockholder proposals, the election of directors and proposals related to executive compensation. As a result, the only routine proposal submitted to our stockholders for a vote at the Annual Meeting is Proposal 5 (Ratification of Independent Accounting Firm). Under Delaware law, a broker non-vote is counted as present for quorum purposes but is not counted as a vote on the specified matter. Therefore, we strongly encourage our stockholders to vote their shares.

How many votes are needed to approve each proposal?

For Proposal 1 (Election of Directors), any director nominee receiving the majority of votes cast in person or by proxy; i.e., the number of shares voted For a director must exceed 50% of the number of votes cast in person or by proxy with respect to that director's election; will be elected as a director, provided that if the number of nominees exceeds the number of directors to be elected (a situation we do not anticipate), the three nominees receiving the most For votes among votes properly cast in person or by proxy will be

Table of Contents

elected. Only For and Withhold votes will affect the outcome. Abstentions and broker non-votes will have no effect.

To be approved, Proposal 2 (Amendment to the 2003 Plan) must receive For votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

To be approved, Proposal 3 (2010 Say on Pay) must receive For votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

For Proposal 4 (Say on Frequency), the selection receiving the most votes among votes properly cast in person or by proxy will be the preferred frequency indicated by our stockholders. Only votes of every 1 Year, 2 Years or 3 Years will affect the outcome. Abstentions and broker non-votes will have no effect.

To be approved, Proposal 5 (Ratification of Independent Accounting Firm) must receive For votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares on the record date are present at the Annual Meeting in person or represented by proxy. On March 25, 2011, the record date, there were 47,757,980 shares outstanding and entitled to vote. Thus, the holders of 23,878,991 shares must be present in person or represented by proxy at the Annual Meeting to have a quorum. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of the shares present at the Annual Meeting in person or represented by proxy may adjourn the Annual Meeting to another date.

How can I find out the voting results of the Annual Meeting?

Preliminary voting results (or final voting results if then available) will be announced at the Annual Meeting and disclosed by the Company on a Current Report on Form 8-K filed with the SEC within four business days of the Annual Meeting. If final results are not available within four business days of the Annual Meeting, the final voting results will be disclosed by the Company in an amended Current Report on Form 8-K filed with the SEC within four business days of the certification of final voting results.

Table of Contents

PROPOSAL 1

ELECTION OF DIRECTORS

Our Board presently has ten members and is divided into three classes. There are four directors in the class whose term of office expires at the Annual Meeting: Brian A. McNamee; Phillip M. Schneider; Abraham D. Sofaer; and Patrick J. Sullivan. The Board elected Dr. McNamee as a director in March 2010 and our stockholders ratified Dr. McNamee's election to the Board in May 2010. On January 23, 2011, Dr. McNamee informed the Company that he would not stand for re-election at the Annual Meeting. Mr. Schneider and Mr. Sofaer were each previously elected to the Board by the Company's stockholders, most recently at the Company's 2008 Annual Meeting of Stockholders. The Board elected Mr. Sullivan as a director in September 2010. If elected at the Annual Meeting, each of Mr. Schneider, Mr. Sofaer and Mr. Sullivan would serve until the Company's 2014 Annual Meeting of Stockholders and until his successor is elected and qualified, or, if sooner, until his death, resignation or removal. As of the commencement of the Annual Meeting and the expiration of Dr. McNamee's current term as a director, the size of the Board will be reduced from ten members to nine. It is our policy to encourage our directors and nominees for director to attend our annual meetings of stockholders. All of our then-current directors attended our 2010 Annual Meeting of Stockholders, including the nominees for election as a director at the meeting.

For the election of directors, any director receiving the majority of votes cast (i.e., the number of shares voted For a director must exceed 50% of the number of votes cast in person or by proxy with respect to that director's election) will be elected as a director, provided that if the number of nominees for director exceeds the number of directors to be elected (a contested election), directors are elected by a plurality of the votes properly cast in person or by proxy. Abstentions and broker non-votes will not be counted towards the vote total for Proposal 1 (Election of Directors).

The Company's Amended and Restated Bylaws require an incumbent director who fails to receive the affirmative vote of a majority of the votes cast in an uncontested election at a meeting of stockholders to promptly submit his or her resignation, with such resignation to be considered by the members of the Nominating and Corporate Governance Committee of the Board. Under Delaware law, an incumbent director who fails to receive the required votes holds over, or continues to serve as a director, until his or her successor is elected and qualified. The Nominating and Corporate Governance Committee will make a recommendation to the Board whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. A director who tenders his or her resignation will not participate in the recommendation of the Nominating and Corporate Governance Committee or the Board's decision with respect to his or her resignation. If the incumbent director's resignation is not accepted by the Board, the director will continue to serve until the end of his or her term of office and until his or her successor is elected and qualified, or his or her earlier death, resignation or removal. If a director's resignation is accepted by the Board, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy.

Vacancies on the Board, including by reason of an increase in the number of directors, may be filled only by the affirmative vote of our directors then in office. Directors elected to fill vacancies hold office until the end of the term of the director that he or she replaced or until their successors are duly elected or qualified. Because the Board believes it is important to provide our stockholders with an opportunity to consider the Board's election of any new director, in accordance with our Corporate Governance Guidelines, as amended by the Board in February 2009, the Board will submit Board elections of a director to our stockholders for ratification at the next regularly scheduled annual meeting of stockholders. If the election is ratified by the stockholders, the elected Board member will continue

to serve the remaining term of the class of directors to which he or she was elected by the Board. If the election is not ratified by our stockholders, the Board member will be expected to promptly tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will then make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose its decision regarding the tendered resignation and the

Table of Contents

rationale behind the decision within 90 days of the date of the annual meeting at which the election was submitted for ratification. The director who tenders his or her resignation will not participate in the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board with respect to his or her resignation. If the director's resignation is rejected by the Board, the director will continue to serve the remaining term of the class of directors to which he or she was elected by the Board.

Shares represented by proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of any substitute nominee proposed by our Nominating and Corporate Governance Committee. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

Set forth below is a brief biography of each nominee for director and each director whose term of office will continue after, or expire as of, the Annual Meeting, as well as a description of the particular experience, qualifications, attributes and/or skills that led the Board to conclude that each director should serve as a member of the Board.

**Nominees for Election to the Board of Directors
For a Three-Year Term Expiring at the
2014 Annual Meeting of Stockholders**

Name	Age	Present Position with the Company
Phillip M. Schneider	55	Director
Abraham D. Sofaer	72	Director
Patrick J. Sullivan	59	Director

Phillip M. Schneider, has served as a director of the Company since November 2002. Mr. Schneider is the former Chief Financial Officer of IDEC Pharmaceuticals Corporation (now Biogen IDEC Inc.) (IDEC). During his 15-year tenure at IDEC, Mr. Schneider served as Senior Vice President and Chief Financial Officer where he played an integral role in the company's growth. Prior to his association with IDEC, Mr. Schneider held various management positions at Syntex Pharmaceuticals Corporation and was previously with KPMG, LLP. Mr. Schneider is a member of the board of directors of Arena Pharmaceuticals, Inc. Mr. Schneider previously served on the board of directors of CancerVax Corporation from September 2003 until its merger with Micromet AG in May 2006, and, subsequently, Mr. Schneider served on the board of directors of the combined company, Micromet, Inc., until November 2007. Mr. Schneider received an M.B.A. from the University of Southern California and a B.S. in biochemistry from the University of California at Davis. The Board believes Mr. Schneider's formal education, financial and accounting expertise, business success, including while serving as the former Chief Financial Officer of IDEC, and his current and former membership on other public company boards of directors provide Mr. Schneider with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Abraham D. Sofaer, has served as a director of the Company since August 2002. Since 1994, Mr. Sofaer has been the George P. Shultz Distinguished Scholar and Senior Fellow, The Hoover Institution, Stanford University. Mr. Sofaer previously served as a United States District Judge for the Southern District of New York, as the Legal Adviser for the United States Department of State, as a Professor at Columbia University School of Law, and as a partner in the New York law firm of Hughes, Hubbard & Reed. Mr. Sofaer is a member of the board of directors of one other public company, Rambus, Inc., and two private companies, 3L&T, Inc. and PLC Diagnostics Inc. Mr. Sofaer previously served on the board of directors of Neurobiological Technologies, Inc. from April 1997 to November 2009. Mr. Sofaer received a B.A. in history from Yeshiva College and an L.L.B. from New York University School of Law.

Mr. Sofaer has had extensive litigation experience as a federal prosecutor, judge, private lawyer, and currently as an arbitrator serving under the rules of several arbitration companies. Mr. Sofaer's charitable activities include service for many years as Chairman and now Vice-Chairman of the board of directors of the National Jazz Museum in Harlem, and on the board of directors of the Koret Foundation, where he is also Chairman of the Audit Committee. The Board believes Mr. Sofaer's formal education, legal expertise, judicial experience, demonstrated professional success in the business and academic sectors, and his current and former

Table of Contents

membership on other public company boards of directors provide Mr. Sofaer with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Patrick J. Sullivan, has served as a director of the Company since September 2010. Mr. Sullivan joined Cytyc Corporation (Cytyc) in 1991 as Vice President, Sales and Marketing. Mr. Sullivan became President, Chief Executive Officer and a director of Cytyc in 1994, and became Chairman of Cytyc s board of directors in 2002. Mr. Sullivan remained President, Chief Executive Officer and Chairman of Cytyc s board of directors until its merger with Hologic, Inc. in 2007. Following the merger, Mr. Sullivan served as Executive Chairman of Hologic, Inc. until May 2008. Mr. Sullivan now leads Constitution Medical Investors, Inc., a Boston-based private investment firm in partnership with Warburg Pincus LLC, and is also a member of the board of directors of PerkinElmer, Inc. Mr. Sullivan graduated with distinction from the U.S. Naval Academy and earned an M.B.A., also with distinction, from Harvard University. The Board believes Mr. Sullivan s formal education, business success and demonstrated leadership, including his approximately 13-year tenure as President and Chief Executive Officer of Cytyc during which Cytyc experienced significant growth, as well as his current membership on the board of directors PerkinElmer, Inc., provide Mr. Sullivan with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Our Board of Directors unanimously recommends a vote FOR each named nominee.

**Director Not Standing for Re-Election
Whose Term of Office Expires at the
2011 Annual Meeting of Stockholders**

Name	Age	Present Position with the Company
Brian A. McNamee, M.B.B.S.	54	Director

Brian A. McNamee, M.B.B.S., has served as a director of the Company since March 2010. Dr. McNamee previously served on the Board from the time of its September 2002 spin-off from Chugai Pharmaceutical Co., Ltd. until May 2007. Dr. McNamee has served as the Chief Executive Officer and Managing Director of CSL Ltd. (CSL) since 1990. CSL is a leading international biopharmaceutical company with significant activities in human plasma and vaccines. Prior to joining CSL, Dr. McNamee was Managing Director of a start-up biotechnology company, Pacific Biotechnology Limited, in Sydney, Australia and General Manager of Faulding Product Divisions, F.H. Faulding & Co Limited in Adelaide, Australia. Dr. McNamee obtained his medical degree from the University of Melbourne. The Board believes that Dr. McNamee s formal education, medical expertise, international business success, including while serving as the Chief Executive Officer and Managing Director of CSL, as well as his prior service on the Board provide Dr. McNamee with the appropriate attributes to serve on the Board and have enabled him to make valuable contributions to the Board and to the Company.

On January 23, 2011, Dr. McNamee informed the Company that he would not stand for re-election at the Annual Meeting. Dr. McNamee, resident in Australia, indicated his decision was prompted by the demands on his time and schedule as Chief Executive Officer of CSL, the timing of the Company s Board meetings in 2011 and beyond, and the increasing potential for common or related issues to arise between the businesses of CSL and the Company.

**Directors Continuing in Office until the
2012 Annual Meeting of Stockholders**

Name	Age	Present Position with the Company
John W. Brown	76	Director
John C. Martin, Ph.D.	59	Director
Henry L. Nordhoff	69	Chairman of the Board

John W. Brown, has served as a director of the Company since December 2005. Mr. Brown previously served as President and Chief Executive Officer of Stryker Corporation (Stryker), a worldwide leader in orthopedic medical devices, from 1997 until 2004, and Chairman of the Board of Stryker from 1980 through 2009. Mr. Brown currently

Table of Contents

serves as Chairman Emeritus of Stryker. Mr. Brown has also served as a director of St. Jude Medical, Inc. since August 2005. Mr. Brown received a bachelor's degree in chemical engineering from Auburn University. The Board believes Mr. Brown's formal education, business success and demonstrated leadership throughout his career, including his over 25-year tenure as the Chairman and Chief Executive Officer of Stryker, a Fortune 400 company and member of the S&P 500 that achieved this status under Mr. Brown's leadership, provide Mr. Brown with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

John C. Martin, Ph.D., has served as a director of the Company since September 2007. Dr. Martin has served as Chairman of the board of directors of Gilead Sciences, Inc. (Gilead) since May 2008, and has served as President and Chief Executive Officer and as a member of Gilead's board of directors since 1996. Prior to joining Gilead in 1990, Dr. Martin held several leadership positions in the antiviral chemistry division at Bristol-Myers Squibb Company and served for six years with Syntex Corporation, from 1978 until 1984. Dr. Martin is a member of the board of trustees of the University of Southern California, a member board of directors of the California Healthcare Institute and previously served as a member of the Presidential Advisory Council on HIV/AIDS. Dr. Martin received a Ph.D. in organic chemistry from the University of Chicago and an M.B.A. in marketing from Golden Gate University. The Board believes Dr. Martin's formal education, scientific expertise, business success, including his 15-year tenure as President and Chief Executive Officer of Gilead, a Fortune 400 company and member of the S&P 500 that achieved this status under Dr. Martin's leadership, provide Dr. Martin with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Henry L. Nordhoff, has served as a director of the Company since July 1994. Mr. Nordhoff joined the Company in July 1994 as President and Chief Executive Officer (CEO) and was elected Chairman of the Board in September 2002. Mr. Nordhoff retired as the Company's CEO in May 2009. Prior to joining the Company, Mr. Nordhoff was President and Chief Executive Officer of TargeTech, Inc., a gene therapy company that was merged into Immune Response Corporation. Prior to that, Mr. Nordhoff was at Pfizer, Inc. in senior positions in Brussels, Seoul, Tokyo and New York. Mr. Nordhoff received a B.A. in international relations and political economy from Johns Hopkins University and an M.B.A. from Columbia University. Mr. Nordhoff has also served as a member of the board of directors of MannKind Corporation since March 2005. The Board believes that Mr. Nordhoff's formal education, international business success and demonstrated leadership, including while serving as Chairman of the Board and as the Company's former CEO for 15 years during which the Company experienced significant growth, provide Mr. Nordhoff with the appropriate attributes to lead the Board and enable him to make valuable contributions to the Board and to the Company.

**Directors Continuing in Office until the
2013 Annual Meeting of Stockholders**

Name	Age	Present Position with the Company
Carl W. Hull	53	Director, President and CEO
Armin M. Kessler	73	Director
Lucy Shapiro, Ph.D.	70	Director

Carl W. Hull, has served as a director of the Company since May 2009. Mr. Hull joined the Company in February 2007 as Executive Vice President and Chief Operating Officer and was appointed President in March 2008. Mr. Hull was appointed as the Company's CEO and elected as a director in May 2009. Prior to joining the Company, Mr. Hull served as Vice President & General Manager of the SDS/Arrays Business Unit of Applied Biosystems Inc. from January 2005 to January 2007. Prior to joining Applied Biosystems, Mr. Hull held a number of positions with Applied Imaging Corp., most recently serving as its Chief Executive Officer from January 2001 to December 2004 and as a

member of its board of directors from 2000 to 2007. Mr. Hull currently serves as chairman of the board of directors of the California Healthcare Institute. Mr. Hull received a B.A. in political science and international relations from Johns Hopkins University and an M.B.A. from the University of Chicago. The Board believes that Mr. Hull's formal education, his position as President and CEO of the Company, his in-depth knowledge of the Company's businesses and industry, and his demonstrated leadership over the course of his successful career provide Mr. Hull with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Table of Contents

Armin M. Kessler, has served as a director of the Company since November 2002. Mr. Kessler served as Chief Operating Officer of Hoffman-La Roche in Basel, Switzerland from 1990 to 1995. Prior to being appointed Chief Operating Officer, Mr. Kessler held several senior positions at Hoffman-La Roche, including head of the diagnostics and pharmaceutical divisions of the organization. Earlier positions in his career included Director of Pharmaceutical Marketing Worldwide for Novartis AG (formerly Sandoz Ltd.) and President of Sandoz KK in Tokyo. Mr. Kessler currently serves on the board of directors of two other public companies, Actelion Pharmaceuticals Ltd., a Swiss publicly traded company, and The Medicines Company, and one private company, MedGenesis Therapeutix. Mr. Kessler has also served on the boards of Hoffman-La Roche, Syntex Chemicals Inc., PRA International, Inc., Spectrum Pharmaceuticals, Inc., Genentech, Inc. and CroMedica International, Inc. Mr. Kessler received a degree in physics and chemistry from Pretoria University in South Africa, a degree in chemical engineering from the University of Cape Town, South Africa, a J.D. from Seton Hall University, and a Dr.h.c. in business administration from the University of Pretoria. The Board believes that Mr. Kessler's formal education, international business success and demonstrated leadership, including while serving as the former Chief Operating Officer of Hoffman-La Roche, and his current and former participation on numerous public company boards of directors, provide Mr. Kessler with the appropriate attributes to serve on the Board and enable him to make valuable contributions to the Board and to the Company.

Lucy Shapiro, Ph.D., has served as a director of the Company since May 2008. Dr. Shapiro currently serves as the Virginia and D.K. Ludwig Professor of Cancer Research and the Director of the Beckman Center for Molecular and Genetic Medicine at Stanford University's School of Medicine, where she has served as a faculty member since 1989. Dr. Shapiro is a co-founder and director of Anacor Pharmaceuticals, a privately held biopharmaceutical company developing novel small-molecule therapeutics to treat infectious and inflammatory diseases. From 1989 to 1997, Dr. Shapiro was the founding Chair of Stanford University's Department of Developmental Biology. From 1986 to 1989, Dr. Shapiro served as Chair of the Department of Microbiology in the College of Physicians and Surgeons of Columbia University. Dr. Shapiro has been elected to the National Academy of Sciences, the American Academy of Microbiology, the American Academy of Arts and Sciences and the Institute of Medicine of the National Academy of Sciences for her work in the fields of molecular biology and microbiology. Dr. Shapiro was elected to the American Philosophical Society and received the Selman A. Waksman Award from the National Academy of Sciences in 2005, the Canada Gairdner International Award in 2009, the John Scott Award in 2009 and the Abbott-ASM Lifetime Achievement Award in 2010. Dr. Shapiro previously served as a non-executive director of GlaxoSmithKline plc from 2001 to 2006. Dr. Shapiro received a B.A. from Brooklyn College and a Ph.D. in Molecular Biology from the Albert Einstein College of Medicine. The Board believes Dr. Shapiro's formal education, significant expertise in the biotechnology industry, professional accomplishments and her former membership on the board of directors of GlaxoSmithKline provide Dr. Shapiro with the appropriate attributes to serve on the Board and enable her to make valuable contributions to the Board and to the Company.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of the Board of Directors

As required under The NASDAQ Stock Market (Nasdaq) listing standards, a majority of the members of a listed company's board of directors must qualify as independent, as affirmatively determined by the Board. The Board consults with the Company's legal counsel to ensure that the Board's determinations are consistent with all relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent Nasdaq listing standards, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent registered public

accounting firm, the Board affirmatively determined that the following directors are independent directors within the meaning of the applicable Nasdaq listing standards: John W. Brown, Armin M. Kessler, John C. Martin, Ph.D., Brian A. McNamee, M.B.B.S., Phillip M. Schneider, Lucy Shapiro, Ph.D., Abraham D. Sofaer and Patrick J. Sullivan. In making these determinations, the Board found that none of the directors or nominees for director, other than Mr. Nordhoff and Mr. Hull, has a material or other disqualifying relationship with the Company.

Table of Contents

Mr. Nordhoff is currently precluded from being classified as an independent director by virtue of his former employment as the Company's CEO until his retirement from that position in May 2009. Mr. Hull is precluded from being classified as an independent director by virtue of his current employment as the Company's President and CEO.

Meetings of the Board of Directors

The Board met eight times during 2010. All directors attended at least 75% or more of the aggregate of the meetings of the Board and of the Board committees on which they served, held during the period for which they were directors or committee members. In addition, during 2010 the Company's independent directors met in regularly scheduled executive sessions at which only independent directors were present, consistent with applicable Nasdaq listing standards. Persons interested in communicating with the independent directors regarding their concerns or issues may address correspondence to a particular director or to the independent directors generally, in care of Gen-Probe Incorporated, Attention: Corporate Secretary, 10210 Genetic Center Drive, San Diego, California 92121.

Board Leadership Structure and Role in Risk Oversight

Leadership Structure

Mr. Nordhoff, who retired as the Company's CEO in May 2009, currently serves as the Company's Chairman of the Board. Mr. Hull currently serves as a director and as the Company's President and CEO. Mr. Kessler currently serves as the Board's Lead Independent Director. Pursuant to the Company's Corporate Governance Guidelines, the duties of the Company's Lead Independent Director include, to the extent appropriate and in consultation with the Chairpersons of the appropriate Board committees: leading the process of evaluating the Board with the coordination of the Nominating and Corporate Governance Committee; coordinating the agenda for all Board meetings and leading executive sessions of the Board's independent directors; and facilitating communications between members of the Board and the Chairman and/or CEO. The Lead Independent Director also serves as the Vice Chairman of the Board in the absence of the Chairman of the Board.

The Board believes this leadership structure is appropriate because it permits Mr. Nordhoff to focus his attention on leading the Board in his role as Chairman, while allowing Mr. Hull to focus his attention on leading the Company and managing its business. In addition, the Board believes the designation of a Lead Independent Director is appropriate and reinforces the independence of the Board and its oversight of the business and affairs of the Company, given that Mr. Nordhoff does not currently qualify as an independent director under applicable Nasdaq rules as a result of his prior employment by the Company.

The Board's Role in Risk Oversight

The Board, with the participation and assistance of the Audit Committee and, with respect to the risks, if any, related to the Company's compensation programs, the Compensation Committee, oversees management's design and operation of risk management and determines whether management has established effective processes for identifying and mitigating risks. The Company's Disclosure Committee, comprised of certain select members of management, is responsible for the identification, evaluation and management of key risks, subject to Board oversight. The Disclosure Committee also has responsibility for reporting risk management activities to the Board on a regular basis. The Company's risk management function, which exists within the Company's finance department, monitors and coordinates the Company's risk management process. The Company's internal audit department assists both management and the Board by examining, evaluating, reporting and recommending improvements on the adequacy and effectiveness of the Company's risk management processes.

We have developed a written risk assessment, which identifies and prioritizes risks facing the Company pursuant to an established framework. The Disclosure Committee currently meets on a quarterly basis to identify and prioritize risks and mitigating factors, as well as develop and implement an appropriate action plan to ensure identified risks are being adequately addressed. This written risk assessment is provided to the Board on at least an annual basis for review and comment.

Table of Contents

In addition, the Compensation Committee considers, in establishing and reviewing the Company's overall executive compensation program, whether the program encourages taking unnecessary or excessive risks. During the first quarter of 2011, management, with the input of the Company's human resources and legal departments, reviewed the Company's compensation practices and policies to identify whether they believed these practices and policies created excessive or unnecessary risks. Their findings were presented to the Compensation Committee and the Board for consideration. After consideration of the information presented, the Compensation Committee and the Board concluded that the Company's overall executive compensation program does not encourage unnecessary or excessive risk taking.

Information Regarding Committees of the Board of Directors

During 2010, the Board had five committees: an Audit Committee; a Compensation Committee; a Nominating and Corporate Governance Committee; a Special Awards Committee; and a Special Transactions Committee. The following table provides membership information as of December 31, 2010 and meeting information for fiscal 2010 for each of these Board committees:

Committee Members	Audit	Compensation	Governance	Awards	Transactions
John W. Brown		X			
Carl W. Hull				X	X
Armin M. Kessler		X*	X		X
John C. Martin, Ph.D.	X(1)	X			
Brian A. McNamee, M.B.B.S.(2)			X		X
Henry L. Nordhoff					X
Phillip M. Schneider	X*	X			
Lucy Shapiro, Ph.D.			X		
Abraham D. Sofaer	X		X*		
Patrick J. Sullivan(3)	X				
Total meetings in 2010	5	6	4	0(4)	1

* Committee Chairman

- (1) Dr. Martin voluntarily resigned as a member of the Audit Committee effective as of January 18, 2011.
- (2) Dr. McNamee was elected as a director by the Board in March 2010. Our stockholders ratified Dr. McNamee's election to the Board in May 2010 at the Company's 2010 Annual Meeting of Stockholders. Dr. McNamee was appointed to the Company's Nominating and Corporate Governance Committee in May 2010. In January 2011, Dr. McNamee informed the Company that he would not stand for re-election at the Annual Meeting.
- (3) Mr. Sullivan was elected as a director by the Board in September 2010. Mr. Sullivan was appointed to the Company's Audit Committee in November 2010.
- (4) The Special Awards Committee acted only by written consent during 2010.

Below is a description of each committee of the Board. The Board has determined that, except as specifically described below, each member of each committee meets the applicable Nasdaq rules and regulations regarding independence and that each member is free of any relationship that would impair his or her individual exercise of

independent judgment with regard to the Company.

Audit Committee

The Audit Committee of the Board was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act), to oversee the Company s corporate accounting and financial reporting processes and audits of its financial statements. For this purpose, the Audit Committee performs several functions. The Audit Committee evaluates the performance, and assesses the qualifications, of the Company s independent registered public accounting firm; determines and approves the engagement of the Company s independent registered public accounting firm; determines whether to retain or

Table of Contents

terminate the Company's existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm; reviews and approves the retention of the Company's independent registered public accounting firm to perform any proposed permissible non-audit services; monitors the rotation of partners of the Company's independent registered public accounting firm on the Company's audit engagement team as required by law; reviews and approves or rejects transactions between the Company and any related persons; confers with management and the Company's independent registered public accounting firm regarding the effectiveness of internal control over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; meets to review the Company's annual audited financial statements and quarterly financial statements with management and the Company's independent registered public accounting firm; reviews the Management's Discussion and Analysis of Financial Condition and Results of Operations portion of the Company's periodic filings with the SEC; reviews the financial statements to be included in the Company's Annual Reports on Form 10-K; reviews earnings releases and financial information and guidance prior to public dissemination; oversees the internal audit function of the Company; and discusses with management and the Company's independent registered public accounting firm the results of the annual audits and the results of the Company's quarterly financial statements. Three directors currently comprise the Audit Committee: Mr. Schneider (Chairman); Mr. Sofaer and Mr. Sullivan. Mr. Sullivan was designated by the Board as a member of the Audit Committee in November 2010. Dr. Martin voluntarily resigned as a member of the Audit Committee effective January 18, 2011. The Audit Committee has adopted a written charter that is available to stockholders on the Company's website at www.gen-probe.com.

The Board annually reviews the Nasdaq listing standards definition of independence for Audit Committee members and has determined that all members of the Company's Audit Committee are independent (as independence is currently defined in Rule 5605(c)(2)(A) of the Nasdaq Listing Rules). The Board has determined that Mr. Schneider qualifies as an audit committee financial expert, as defined in applicable SEC rules. The Board made a qualitative assessment of Mr. Schneider's level of knowledge and experience based on a number of factors, including his formal education and his experience as the chief financial officer for a public reporting company. In addition to the Company's Audit Committee, Mr. Schneider also serves as Chairman of the Audit Committee of Arena Pharmaceuticals, Inc. In addition to the Company's Audit Committee, Mr. Sofaer also serves on the Audit Committee of Rambus, Inc., and as Chairman of the Audit Committee of the Koret Foundation. In addition to the Company's Audit Committee, Mr. Sullivan serves on the Audit Committee of PerkinElmer, Inc. The Board has determined that such simultaneous service does not impair the ability of any Audit Committee member to effectively serve on the Company's Audit Committee.

Report of the Audit Committee of the Board of Directors

Each member of the Audit Committee is an independent director as determined by the Board, based on applicable Nasdaq listing rules. Each member of the Audit Committee also satisfies the SEC's additional independence requirements for members of audit committees.

The Audit Committee has adopted, and annually reviews, a charter outlining the practices it follows. The charter specifies that the primary purpose of the Audit Committee is to assist the Board in its oversight of:

- the adequacy of the Company's internal controls, corporate accounting, financial reporting practices and audits of financial statements;
- the quality, integrity and reliability of the Company's financial statements and financial reports to the public;
- the performance of the Company's internal audit function; and

the independence, qualifications and performance of the Company's independent registered public accounting firm.

Table of Contents

In carrying out these responsibilities, the Audit Committee, among other things:

monitors the preparation of quarterly and annual financial reports by the Company's management;

supervises the relationship between the Company and its independent registered public accounting firm, including: having direct responsibility for their appointment, compensation and retention; reviewing the scope of their audit services; approving audit and non-audit services; and confirming the independence of the Company's independent registered public accounting firm; and

oversees management's implementation and maintenance of effective systems of internal and disclosure controls, including review of the Company's policies relating to ethics and conflicts of interests and review of the Company's internal auditing program.

The Audit Committee met five times during 2010. The Audit Committee schedules its meetings with a view to ensuring that it devotes appropriate attention to all of its tasks. The Audit Committee's agenda is established by the Audit Committee's Chairman and the Company's Director of Internal Audit. Audit Committee meetings include discussion of significant accounting policies applied by the Company in its financial statements, as well as any alternative treatments. In addition, Audit Committee meetings include, whenever appropriate, executive sessions in which the Audit Committee meets separately with the Company's independent registered public accounting firm, the Company's Director of Internal Audit and the Company's Chief Financial Officer.

The Audit Committee has been updated quarterly on management's process to assess the adequacy of the Company's system of internal control over financial reporting, the framework used to make the assessment, and management's conclusions on the effectiveness of the Company's internal control over financial reporting. The Audit Committee has also discussed with the Company's independent registered public accounting firm the Company's internal control assessment process, management's assessment with respect thereto and the independent registered public accounting firm's evaluation of the Company's system of internal control over financial reporting.

The Company has an internal audit department that reports to the Audit Committee. The Audit Committee reviews and approves the internal audit plan once a year and receives periodic updates of internal audit activity in meetings held at least quarterly throughout the year. Updates include discussion of audit project results, including the assessment of internal controls.

The Audit Committee engaged Ernst & Young LLP as the Company's independent registered public accounting firm for the year ended December 31, 2010, and reviewed with senior members of the Company's financial management team, the Company's independent registered public accounting firm, and the Director of Internal Audit, the overall audit scope and plans and the results of internal and external audit examinations. Although the Audit Committee has the sole authority to appoint the Company's independent registered public accounting firm, the Audit Committee will continue its long-standing practice of recommending that the Board ask the Company's stockholders to ratify the appointment of the Company's independent registered public accounting firm at the Annual Meeting.

As part of its oversight of the Company's financial statements, the Audit Committee reviews and discusses with both management and the Company's independent registered public accounting firm all annual and quarterly financial statements prior to their issuance. During fiscal 2010, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles (GAAP), and reviewed significant accounting and disclosure issues with the Audit Committee. These reviews included discussion with the Company's independent registered public accounting firm of matters required to be discussed pursuant to 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 (the PCAOB) in Rule 3200T (including any successor rule adopted by the PCAOB), including the quality of the Company s accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee also discussed with Ernst & Young LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from Ernst & Young LLP to the Audit Committee pursuant to applicable requirements of the PCAOB. The Audit Committee has concluded that Ernst & Young LLP s provision of audit and non-audit services to the Company and its affiliates is compatible with Ernst & Young LLP s independence.

Table of Contents

Taking all of these reviews and discussions into account, on February 9, 2011, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, for filing with the SEC.

AUDIT COMMITTEE

Phillip M. Schneider, Chairman
Abraham D. Sofaer
Patrick J. Sullivan

Compensation Committee

The Compensation Committee is comprised of four directors: Mr. Kessler (Chairman); Mr. Brown; Dr. Martin; and Mr. Schneider. All members of the Company's Compensation Committee are independent directors who are not current or former employees of the Company or its subsidiaries. Please see the Company's Compensation Discussion and Analysis (the "CD&A") for more information regarding the duties and authority of the Compensation Committee. The Compensation Committee also reviews the CD&A with management and considers whether to recommend that it be included in our proxy statement. The Compensation Committee has adopted a written charter that is available to stockholders on the Company's website at www.gen-probe.com.

Compensation Committee Processes and Procedures

Typically, the Compensation Committee meets at least once quarterly and with greater frequency if necessary. The Compensation Committee met six times during 2010. The agenda for each meeting is usually developed by the Chairman of the Compensation Committee, in consultation with the Company's Senior Vice President, Human Resources and the Company's General Counsel. The Compensation Committee meets regularly in executive session. From time to time, various members of management and other employees, as well as outside advisors or consultants, may be invited by the Compensation Committee to make presentations, provide financial or other background information or advice or otherwise participate in Compensation Committee meetings. Our President and CEO may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his compensation. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of the Company, as well as authority to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors and consultants and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. In particular, the Compensation Committee has the sole authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms.

The Compensation Committee has engaged Compensia as its compensation consultant since 2005. Over the course of its engagement, Compensia has assisted the Compensation Committee in:

evaluating the efficacy of the Company's existing compensation strategy and practices in supporting and reinforcing the Company's long-term strategic goals; and

refining the Company's compensation strategy and developing and implementing an executive compensation program to execute that strategy.

As part of its engagement, the Compensation Committee has directed Compensia to develop and update as appropriate a comparative group of peer companies for the Compensation Committee's approval and to perform analyses of

competitive performance and compensation levels for that group. Compensia has also conducted individual interviews with members of senior management and the Compensation Committee to learn more about the Company's business operations and strategy, key performance metrics and strategic goals, as well as the labor markets in which the Company competes. Compensia ultimately develops recommendations and metrics that are presented to the Compensation Committee for its consideration. The Company does not have any relationship or arrangement with Compensia other than the Compensation Committee's engagement of Compensia as its compensation consultant.

Table of Contents

Historically, the Compensation Committee has made the most significant adjustments to annual compensation and determined bonus awards for executive officers of the Company, and established new financial and other corporate performance objectives for executive compensation purposes, at one or more meetings held during the first quarter of the year. Prior to 2010, the Compensation Committee generally made determinations regarding the grant of annual equity incentive awards to Company employees at a meeting held in the third quarter of the year. Commencing in 2010, the Compensation Committee transitioned to making determinations regarding the grant of annual equity incentive awards to Company employees at a meeting held during the first quarter of the year. This transition, which is discussed in greater detail in the CD&A below, resulted from the Compensation Committee's decision not to grant restricted stock awards with only time-based vesting provisions, and instead grant stock awards to Company officers and other senior Company employees that incorporate performance-based vesting provisions in addition to the time-based vesting provisions incorporated in prior restricted stock awards. The Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of, and any risks relating to, the Company's compensation strategies, policies and practices, potential modifications to those strategies, policies and practices, and new trends, plans or approaches to compensation, at various meetings held throughout the year.

Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of financial and other corporate performance objectives for the current year. For executive officers other than our President and CEO, the Compensation Committee solicits and considers evaluations and recommendations submitted to the Compensation Committee by our President and CEO. In the case of our President and CEO, the evaluation of his performance is conducted by the Compensation Committee, which determines any adjustments to his compensation as well as equity awards to be granted. For all executive officers and directors, as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executive officers in various hypothetical scenarios, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and the recommendations of Compensia, including analyses of executive and director compensation paid at other peer group companies. The specific determinations of the Compensation Committee with respect to executive compensation for the fiscal year ended December 31, 2010 are described in greater detail in the CD&A section of this proxy statement.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between any member of the Compensation Committee and any member of any other company's board of directors or compensation committee. No member of the Compensation Committee is, or was during the fiscal year ended December 31, 2010, an officer or employee of the Company or any of its subsidiaries or was formerly an officer of the Company or any of its subsidiaries.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the CD&A contained in this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the CD&A be included in this proxy statement and incorporated into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

COMPENSATION COMMITTEE

Armin M. Kessler, Chairman

John W. Brown
John C. Martin, Ph.D.
Phillip M. Schneider

Table of Contents

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board is responsible for: identifying, reviewing and evaluating candidates to serve as directors of the Company consistent with criteria approved by the Board; recommending to the Board candidates for election to the Board; making recommendations to the Board regarding the membership of the committees of the Board; facilitating the Board's assessment of the performance of management and the Board; providing recommendations to the Board in connection with the Board's consideration of directors who may be nominated for re-election by the Company's stockholders; and reviewing the interests, independence and experience of individual directors and the independence and experience requirements of Nasdaq, SEC rules and regulations and other applicable laws. The Nominating and Corporate Governance Committee also has responsibility for reviewing the Company's corporate governance principles and making recommendations to the Board for modifications of those principles.

Four directors currently comprise the Nominating and Corporate Governance Committee: Mr. Sofaer (Chairman); Mr. Kessler; Dr. McNamee and Dr. Shapiro. Dr. McNamee was designated by the Board to serve on the Nominating and Corporate Governance Committee in May 2010. As noted above, Dr. McNamee informed the Company in January 2011 that he will not stand for re-election at the Annual Meeting. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq Listing Rules). The Nominating and Corporate Governance Committee met four times during 2010. The Nominating and Corporate Governance Committee has adopted a written charter that is available to stockholders on the Company's website at www.gen-probe.com.

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. In addition, the Nominating and Corporate Governance Committee generally discourages directors from serving on more than four other public company boards, and will consider the number of such boards on which a prospective nominee is a member when formulating its Board membership recommendations. The Nominating and Corporate Governance Committee also considers such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee may also consider Board diversity, which the Committee views broadly to mean, among other attributes, a director's or nominee's educational, professional and personal background, experience, skills, disciplines, age, accomplishments and viewpoints, and such other factors as the Committee deems appropriate, given the current needs of the Board and the Company, with the goal of maintaining an overall balance of knowledge, experience and capability among the Board as a collective body.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews each director's overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair each director's independence. To identify relationships and transactions that might impair such director's independence, the Nominating and Corporate Governance Committee relies on information supplied to the Company's legal department by the Company's executive officers and directors in the form of responses to annual questionnaires. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards,

applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee may engage, if it deems appropriate, a professional search firm to help identify new director candidates or may follow up on suggestions received from members of the Board or other sources. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee

Table of Contents

meets to discuss and consider such candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote. To date, the Nominating and Corporate Governance Committee has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates.

To date, the Board has not received from a stockholder, or any group of stockholders holding more than 5% of the Company's voting stock, a timely nomination of a candidate for election as a director at any annual meeting. The Nominating and Corporate Governance Committee is not obligated to consider director candidates recommended by stockholders, but it may do so in its discretion if it believes consideration of a candidate would be in the Company's best interests. The Nominating and Corporate Governance Committee believes that it is in the best position to identify, review, evaluate and select qualified candidates for Board membership, based on the comprehensive criteria for Board membership approved by the Board.

In addition to reviewing and evaluating incumbent directors and the performance of the Board, as well as recommending to the Board candidates for election to the Board, the Nominating and Corporate Governance Committee is primarily responsible for reviewing and evaluating the Company's corporate governance policies and practices for compliance with applicable SEC and Nasdaq rules, and providing recommendations to the Board for the continued implementation of good corporate governance practices. The Board has documented the Company's corporate governance practices in a set of Corporate Governance Guidelines, and certain of the recent recommendations of the Nominating and Corporate Governance Committee for the implementation of good corporate governance practices are described below under the heading "Corporate Governance Guidelines."

Special Awards Committee

The Special Awards Committee of the Board is responsible for making the final determination of specific grants of equity awards to certain individual non-officer employees of the Company pursuant to guidelines and terms established by the Compensation Committee. The purpose of the delegation of authority to the Special Awards Committee is to enhance the flexibility of equity incentive grants within the Company and to facilitate the timely grant of options to newly-hired and promoted employees, other than officers. Mr. Hull served as the sole member of the Special Awards Committee during 2010. Mr. Hull is not independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq Listing Rules) by virtue of his employment as the Company's President and CEO. The Special Awards Committee acted by unanimous written consent 12 times during 2010.

Special Transactions Committee

The Board established a Special Transactions Committee effective May 12, 2010, which was primarily responsible for considering matters related to the Company's equity investment in and collaboration with Pacific Biosciences of California, Inc. Four directors comprised the Special Transactions Committee during 2010: Mr. Hull, Mr. Kessler, Dr. McNamee and Mr. Nordhoff. All members of the Company's Special Transactions Committee, except for Mr. Nordhoff and Mr. Hull, were independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq Listing Rules). The Special Transactions Committee met one time during 2010.

Stockholder Communications with the Board of Directors

Stockholders interested in communicating with the Board or the Board's independent directors regarding their concerns or issues may address correspondence to the Corporate Secretary, Gen-Probe Incorporated, 10210 Genetic Center Drive, San Diego, California 92121. Stockholder correspondence will be delivered by the Corporate Secretary to the Chairman of the Nominating and Corporate Governance Committee. The Corporate Secretary has the authority to disregard mass mailings, advertisements, and other materials not relevant to the Company's business.

Code of Ethics

The Company has adopted the Gen-Probe Incorporated Code of Ethics that applies to all officers, directors and employees. The Code of Ethics is available on our website at www.gen-probe.com. If the Company makes any substantive amendments to the Code of Ethics or grants any waiver from a provision of the Code of Ethics to any

Table of Contents

executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

Open Door Policy

The Company has adopted an Open Door Policy for Reporting Complaints regarding accounting, auditing and other matters to facilitate the receipt, retention and treatment of complaints regarding misconduct, illegal activities or fraud, including any accounting, internal accounting controls or auditing matters, or violations of federal or state laws or the Company's Code of Ethics.

Corporate Governance Guidelines

In November 2003, following the receipt of a recommendation by the Nominating and Corporate Governance Committee, the Board originally approved the governance practices to be followed by the Company by adopting Corporate Governance Guidelines. The Corporate Governance Guidelines were adopted by the Board to, among other things, reflect changes to the Nasdaq listing standards and SEC rules adopted to implement provisions of the Sarbanes-Oxley Act of 2002. The guidelines are designed to ensure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management. The guidelines are also intended to align the interests of directors and management with those of the Company's stockholders. The Corporate Governance Guidelines set forth the practices the Board follows with respect to Board composition and selection, Board meetings and involvement of senior management, CEO performance evaluation and succession planning, and Board committees and compensation. The Corporate Governance Guidelines may be viewed at www.gen-probe.com.

The Board believes that good corporate governance practices promote the principles of fairness, transparency, accountability and responsibility and will ensure that the Company is managed for the long term benefit of its stockholders. During the past several years, the Nominating and Corporate Governance Committee has continued to review our corporate governance policies and practices and compare them to those suggested by various authorities in corporate governance and the practices of other public companies, and has recommended to the Board the adoption of various corporate governance improvements. Based on this review, the Nominating and Corporate Governance Committee and the Board have taken the following actions to continue our implementation of good corporate governance practices:

In September 2006, the Nominating and Corporate Governance Committee recommended the approval of, and the Board approved, an amendment to accelerate the termination of the Company's stockholder rights plan from September 2012 to November 30, 2006. As a result, the rights plan, which was originally adopted in September 2002, was terminated effective as of November 30, 2006;

In September 2006, the Nominating and Corporate Governance Committee recommended the adoption of, and the Board adopted, a stock ownership policy for directors and officers of the Company that, subject to a phase-in period, requires these individuals to maintain ownership of Company stock equal to between one and three times their annual salary or director retainer, as applicable, depending on position;

In February 2007, the Nominating and Corporate Governance Committee recommended the amendment of, and the Board amended, the Company's Bylaws to change the voting standard for the election of directors from a plurality to a majority vote in uncontested director elections;

In February 2007, the Nominating and Corporate Governance Committee adopted a policy which generally discourages directors from serving on more than four other public company boards, and provides that the

Nominating and Corporate Governance Committee will consider the number of such boards on which a prospective nominee is a member when formulating its Board membership recommendations;

In February 2009, the Nominating and Corporate Governance Committee recommended the amendment of, and the Board amended, the Company's Corporate Governance Guidelines to provide that any future election of a new director by the Board must be submitted to the Company's stockholders for ratification at the next regularly scheduled annual meeting of stockholders; and

Table of Contents

In December 2009, the Nominating and Corporate Governance Committee recommended the amendment of, and the Board amended, the Company's Corporate Governance Guidelines to provide for the annual assessment of the Board's performance as a group, the performance of each individual director, and the performance of each committee of the Board. Previously, the Company's Corporate Governance Guidelines provided for the annual assessment of the Board's performance as a group, the performance of each director subject to re-nomination in connection with the Company's next annual meeting of stockholders, and the performance of each committee of the Board.

Under the majority vote standard applicable to the Company's director elections, a director must receive the affirmative vote of a majority of the shares cast in the election of directors, except that directors shall be elected by a plurality of the votes cast if the number of director nominees exceeds the number of directors to be elected. A majority of the votes cast means that the number of shares voted For a director nominee must exceed 50% of the number of votes cast with respect to that director's election.

Under Delaware law, an incumbent director who fails to receive the required vote holds over, or continues to serve as a director, until his or her successor is elected and qualified. Consequently, in order to address the hold over issue, the Company's Amended and Restated Bylaws require that if a nominee who already serves as a director is not re-elected, and no successor is elected, the director shall tender his or her resignation to the Board. The Nominating and Corporate Governance Committee will make a recommendation to the Board as to whether to accept or reject the resignation, or whether other action should be taken. The Board will act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. A director who tenders his or her resignation will not participate in the recommendation of the Nominating and Corporate Governance Committee or in the Board's decision with respect to his or her resignation. If the failure of a nominee to be elected at the annual meeting results in a vacancy on the Board, that vacancy may be filled by action of the Board. The Amended and Restated Bylaws of the Company are available through our periodic filings with the SEC, which can be viewed through our website at www.gen-probe.com.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides certain information regarding all of the Company's equity compensation plans in effect as of December 31, 2010.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for
			Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	5,638,046	\$ 48.84	1,614,209(1)

Equity compensation plans not approved by security holders(2)	61,318	\$	40.75	65,444
Total	5,699,364	\$	46.56	1,679,653

- (1) Includes 1,360,482 shares of common stock and 253,727 shares of common stock available for future issuance under the 2003 Plan and the Company's Employee Stock Purchase Plan (the ESPP), respectively, as of December 31, 2010.
- (2) Consists of shares of common stock issuable under the Company's 2002 New Hire Stock Option Plan (the 2002 Plan), which at the time of adoption did not require the approval of, and has not been approved by, the Company's stockholders. See the description below of the 2002 Plan.

Table of Contents

The following equity compensation plan of the Company was in effect as of December 31, 2010 and was adopted without approval of the Company's stockholders.

Description of the 2002 Plan

General Nature and Purposes of the 2002 Plan. The principal purposes of the 2002 Plan are to provide incentives for certain employees of the Company and its subsidiaries through granting of options (the 2002 Plan Awards), thereby stimulating optionees' personal and active interest in the Company's development and financial success, and inducing them to remain in the Company's employ. The 2002 Plan was approved by the Board on November 11, 2002, without approval by the Company's stockholders. The Company has not issued options under the 2002 Plan since March 2004.

A brief description of the principal features of the 2002 Plan follows and is qualified in its entirety by the terms of the 2002 Plan, as amended, which was filed with the SEC on February 23, 2007 as an exhibit to the Company's Annual Report on Form 10-K.

Eligibility. 2002 Plan Awards may be granted only to newly hired employees of the Company, including newly hired officers or employee directors of the Company, who have not previously been employed by the Company.

Administration of the Plan. The 2002 Plan is administered by the Compensation Committee of the Board (or another committee or a subcommittee of the Board assuming the functions of the Compensation Committee under the 2002 Plan) (for purposes of this summary of the 2002 Plan only, the Committee). The Committee consists of at least two members of the Board, each of whom is a non-employee director for purposes of Rule 16b-3 under the Exchange Act (Rule 16b-3), and an outside director for purposes of Section 162(m) (Section 162(m)) of the Internal Revenue Code of 1986, as amended (the Code). Subject to the terms and conditions of the 2002 Plan, the Committee has the authority to select the persons to whom 2002 Plan Awards are to be made, to determine the number of shares subject to such awards and the terms and conditions thereof, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2002 Plan. The Committee is also authorized to adopt, amend, interpret and revoke rules relating to the administration of the 2002 Plan.

Securities Subject to the 2002 Plan. The aggregate number of shares of common stock authorized for issuance upon exercise of options granted under the 2002 Plan was 200,000 as of the date the 2002 Plan was adopted. In September 2003, the 200,000 share reserve authorized for issuance under the 2002 Plan was adjusted to 400,000 shares to reflect the Company's 2-for-1 stock split implemented as a 100% stock dividend.

The shares available under the 2002 Plan upon exercise of stock options may be either previously unissued shares or treasury shares. The Committee has the discretion to make appropriate adjustments in the number of securities subject to the 2002 Plan and to outstanding 2002 Plan Awards to reflect dividends or other distributions; a reorganization, merger or consolidation of the Company; a combination, repurchase, liquidation or dissolution of the Company; a disposition of all or substantially all of the assets of the Company or exchange of common stock or other securities of the Company; or other similar corporate transaction or event (an extraordinary corporate event). The 2002 Plan provides for automatic adjustments in the number of securities subject to the 2002 Plan and to outstanding 2002 Plan Awards to reflect a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large non-recurring cash dividend, that affects the shares of the Company's common stock (or other securities of the Company) or the share price of the common stock (or other securities of the Company) and causes a change in the per share value of the common stock underlying outstanding awards.

If any portion of a 2002 Plan Award terminates or lapses unexercised, or is canceled upon grant of a new 2002 Plan Award (which may be at a higher or lower exercise price than the 2002 Plan Award so canceled), the shares which were subject to the unexercised portion of such 2002 Plan Award will continue to be available for issuance under the 2002 Plan.

Term of the 2002 Plan and Amendments. The 2002 Plan will expire on November 10, 2012, unless earlier terminated. The 2002 Plan may be amended, modified, suspended or terminated by the Committee or the Board. Amendments of the 2002 Plan will not, without the consent of the participant, affect such person's rights under any

Table of Contents

outstanding 2002 Plan Award, unless the 2002 Plan Award agreement governing such 2002 Plan Award itself otherwise expressly so provides.

Payment for Shares. The exercise price for all 2002 Plan Awards, together with any applicable tax required to be withheld, must be paid in full in cash at the time of exercise or the Committee may, in its sole and absolute discretion, (i) allow a delay in payment up to 30 days from the date the option is exercised, (ii) allow payment, in whole or in part, through the delivery of shares of common stock which have been held by the holder for at least six months, (iii) allow payment, in whole or in part, through the surrender of shares of common stock then issuable upon exercise of the option having a fair market value on the date of option exercise equal to the aggregate exercise price of the option or exercised portion thereof, (iv) allow payment, in whole or in part, through the delivery of a notice that the holder has placed a market sell order with respect to shares of common stock then issuable upon exercise of the option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the option exercise price; provided, that the payment of such proceeds is then made to the Company upon settlement of such sale, and (v) allow payment through any combination of the consideration provided in the foregoing subparagraphs (ii), (iii) and (iv).

Awards under the 2002 Plan. The 2002 Plan provides that the Committee may grant or issue nonqualified stock options (NQSOs). NQSOs provide for the right to purchase common stock at the fair market value on the grant date and usually will become exercisable (in the discretion of the Committee) in one or more installments after the grant date, subject to the participant's continued provision of services to the Company. NQSOs may be granted for any term specified by the Committee, provided that the term may not exceed 10 years.

Agreements; Consideration to the Company. The terms and conditions of each 2002 Plan Award, including the date on which such 2002 Plan Award first becomes exercisable and on which it expires, will be set forth in a separate agreement with the person receiving the 2002 Plan Award. The agreements generally will provide that 2002 Plan Awards expire upon termination of the participant's status as an employee, although the Committee may provide that 2002 Plan Awards granted to employees continue to be exercisable following a termination without cause, or following a Change in Control of the Company, as defined below, or because of the grantee's retirement, death, disability or otherwise.

General Terms of 2002 Plan Awards

Non-Assignability. 2002 Plan Awards may not be assigned or transferred by the grantee, except by will, the laws of descent and distribution or pursuant to a qualified domestic relations order, although the shares of common stock underlying such 2002 Plan Awards may be transferred if all applicable restrictions have lapsed. During the lifetime of the holder of any 2002 Plan Award, the 2002 Plan Award may be exercised only by the holder. Notwithstanding the foregoing, the Committee may grant NQSOs that may be assigned or transferred, subject to certain conditions, to permitted transferees, which include a child, grandchild, parent, spouse, niece or nephew of the holder.

Extraordinary Corporate Events. The Committee has discretion under the 2002 Plan to provide that 2002 Plan Awards will expire at specified times following, or become exercisable in full upon, the occurrence of certain specified extraordinary corporate events; and in such event the Committee may also give optionees the right to exercise their outstanding NQSOs in full during some period prior to such event, even though the NQSOs have not yet become fully exercisable.

Effect of Change in Control. Notwithstanding anything in the 2002 Plan or the provisions of any 2002 Plan Award to the contrary, in the event of a Change in Control (as defined below), each outstanding 2002 Plan Award shall, immediately prior to the effective date of the Change in Control, automatically become exercisable for all of the shares of common stock at the time subject to such 2002 Plan Award and may be exercised for any or all of the shares

of common stock subject to the 2002 Plan Award.

For purposes of the 2002 Plan, **Change in Control** means a change in ownership or control of the Company effected through any of the following transactions: (a) any person or related group of persons (other than the Company or a person that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of

Table of Contents

Rule 13d-3 under the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer for securities of the Company; (b) there is a change in the composition of the Board over a period of thirty-six (36) consecutive months (or less) such that a majority of the Board members (rounded up to the nearest whole number) ceases, by reason of one or more proxy contests for the election of Board members, to be comprised of individuals who either (i) have been Board members continuously since the beginning of such period or (ii) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board; (c) a merger or consolidation of the Company with any other corporation (or other entity), other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or another entity) more than 66²/₃% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; *provided, however*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 25% of the combined voting power of the Company's then outstanding voting securities shall not constitute a Change in Control; or (d) a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

Transfer Restrictions. The Committee, in its discretion, may impose such restrictions on the transferability of the shares purchasable upon the exercise of an NQSO as it deems appropriate. Any such other restriction shall be set forth in the respective 2002 Plan Award agreement and may be referred to on the certificates evidencing such shares.

Withholding Tax Obligations. As a condition to the issuance or delivery of stock pursuant to the exercise of a 2002 Plan Award granted under the 2002 Plan, the Company requires participants to discharge applicable withholding tax obligations. Shares held by or to be issued to a participant may also be used to discharge tax withholding obligations related to the exercise of 2002 Plan Awards, subject to the discretion of the Committee to disapprove such use.

Securities Law. The 2002 Plan is intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended (the Securities Act), and the Exchange Act, and any and all regulations and rules promulgated by the SEC thereunder, including without limitation Rule 16b-3. The 2002 Plan will be administered, and options will be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the 2002 Plan and options granted thereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Table of Contents

PROPOSAL 2

**APPROVAL OF THE AMENDMENT AND RESTATEMENT OF
THE COMPANY S 2003 INCENTIVE AWARD PLAN**

In this Proposal 2 (Amendment to the 2003 Plan), we are seeking stockholder approval to amend and restate the 2003 Plan, to increase the number of shares of common stock authorized for issuance thereunder by 2,500,000 shares, to extend the expiration date of the 2003 Plan to June 1, 2020, and to make certain other changes to the 2003 Plan. The Company and the Board believe that your approval of this Proposal 2 will enable us to continue to attract and retain the highest caliber of employees and directors, to link incentive rewards to Company performance, and to align the interests of employees and directors with those of our stockholders.

The History of the 2003 Plan

The Board originally adopted the 2003 Plan in March 2003, subject to stockholder approval. In May 2003, prior to stockholder approval, the Board reduced the number of shares of common stock proposed to be authorized for issuance under the 2003 Plan to 2,500,000 shares. In May 2003, the Company s stockholders approved the 2003 Plan. In September 2003, the 2,500,000 share reserve authorized for issuance under the 2003 Plan was adjusted to 5,000,000 shares to reflect the Company s 2-for-1 stock split, which was implemented as a 100% stock dividend.

In February 2006, the Board amended and restated the 2003 Plan (the Amended and Restated 2003 Plan), subject to stockholder approval, to increase the number of shares of common stock authorized for issuance under the 2003 Plan by 3,000,000 shares. In May 2006, the Company s stockholders approved the Amended and Restated 2003 Plan increasing the aggregate number of shares of common stock authorized for issuance under the 2003 Plan from 5,000,000 to 8,000,000 shares.

In November 2006, the Board amended and restated the Amended and Restated 2003 Plan (the Second Amended and Restated 2003 Plan) in order to provide for the automatic adjustment of outstanding awards under the 2003 Plan in the event the Company experienced an equity restructuring event (e.g., a stock split, spin-off or recapitalization through a large non-recurring dividend). In addition, the Second Amended and Restated 2003 Plan changed the date for determination of the exercise price of options granted under the 2003 Plan to the market close on the date of the grant, rather than the preceding date. Stockholder approval of this amendment and restatement was not required or sought.

In February 2007, the Board amended and restated the Second Amended and Restated 2003 Plan (the Third Amended and Restated 2003 Plan) in order to modify the 2003 Plan to provide that, with respect to future grants under the 2003 Plan, a Termination under the 2003 Plan would not occur if an employee continues to serve as a director of the Company after his or her employment with the Company ends. Stockholder approval of this amendment and restatement was not required or sought.

In March 2009, the Board amended and restated the Third Amended and Restated 2003 Plan (the Fourth Amended and Restated 2003 Plan), subject to stockholder approval, to increase the number of shares of common stock authorized for issuance under the 2003 Plan by 2,500,000 shares, and adopted certain other amendments to the 2003 Plan. In May 2009, the Company s stockholders approved the Fourth Amended and Restated 2003 Plan increasing the aggregate number of shares of common stock authorized for issuance under the 2003 Plan from 8,000,000 shares to 10,500,000 shares and making certain other changes to the 2003 Plan.

In March 2011, the Board amended and restated the Fourth Amended and Restated 2003 Plan (the Fifth Amended and Restated 2003 Plan), subject to stockholder approval, to (a) increase the number of shares of common stock authorized

for issuance under the 2003 Plan by 2,500,000 shares, (b) provide that shares of common stock that were subject to stock-settled stock appreciation rights and were not issued upon settlement or net exercise of such rights may not again be granted or awarded pursuant to the 2003 Plan, and (c) extend the expiration date of the 2003 Plan from March 3, 2013 to June 1, 2020. This Proposal 2, if approved by our stockholders, would (i) increase the aggregate number of shares of common stock authorized for issuance under the 2003 Plan from 10,500,000 shares to 13,000,000 shares, (ii) amend the 2003 Plan to provide that shares of common stock that were subject to stock-settled stock appreciation rights and were not issued upon settlement or net exercise of such rights may not again be granted or awarded pursuant to the 2003 Plan, and (iii) extend the expiration date of the 2003 Plan

Table of Contents

to June 1, 2020. As of February 28, 2011, 124,582 shares of common stock remained available for future grant under the 2003 Plan.

Our Recent Equity Award Grant Practice under the 2003 Plan

During the 2006 through 2009 fiscal years, we made annual equity award grants to Company employees, including executive officers, in August of each year, which consisted of stock options and, for certain senior level employees, restricted stock awards. All such equity awards included time-based vesting provisions only.

During 2009, the Compensation Committee determined that, in order to further align our executive compensation practices with stockholder interests, we would no longer grant restricted stock awards with only time-based vesting provisions, and instead we would transition to granting stock awards to officers and other senior employees under the 2003 Plan that incorporate performance-based vesting provisions in addition to the time-based vesting provisions that were incorporated into prior restricted stock awards. In connection with this transition, the Compensation Committee also made three corresponding determinations. *First*, the Compensation Committee determined that the earliest optimal opportunity for the Company to grant performance stock awards to employees would arise in the first quarter of 2010, which would permit alignment between the grant of such awards and the establishment of their associated performance objectives with the adoption of our 2010 business objectives. *Second*, because moving forward the historical date on which annual equity awards would be made during 2010 from August to February would result in two equity award grants being made less than one year apart (in August 2009 and February 2010), the Compensation Committee determined that the August 2009 equity award grants should be proportionately reduced and pro-rated. *Third*, based on a review of peer group data, the Compensation Committee determined that grants of equity incentive awards to officers and other senior employees would generally comprise stock options, representing approximately 75% of the total value of the aggregate applicable award, and performance stock awards, representing approximately 25% of the total value of the aggregate applicable award.

In February 2010, the Compensation Committee granted executive officers and certain other senior level employees performance stock awards based on the achievement of specific performance levels related to the Company's 2010 revenues, earnings per share (EPS) and return on invested capital. In the first quarter of 2011, the Compensation Committee determined the number of shares of Company common stock that would be issued to each of the applicable recipients based on actual 2010 performance as measured against those criteria. Please see the CD&A below for a discussion of the shares of Company common stock actually issued to our executive officers and other senior employees based on actual performance pursuant to the performance stock awards granted in February 2010.

In February 2011, the Compensation Committee took three additional actions to further align executive compensation with our long-term stock price performance. *First*, the Compensation Committee increased the proportion that performance stock awards represent in comparison to total annual equity award value. In February 2010, performance stock awards represented approximately 25% of total equity award value and stock options represented approximately 75%. In contrast, the value of the annual equity awards granted in February 2011 comprised approximately 40% performance stock awards and 60% stock options. *Second*, the Compensation Committee determined that in 2011 it would seek to incorporate performance criteria into 2011 performance stock awards that directly link the number of shares issued to award recipients to the Company's relative stock price performance in comparison to an industry index. Performance stock awards granted in 2010 incorporated performance criteria based on independent Company performance in certain financial categories (revenues, EPS and return on invested capital). In contrast, the number of shares ultimately issued to recipients of performance stock awards granted in 2011 will depend on the Company's relative stock price performance in comparison to the Standard & Poor's Health Care Equipment Select Industry Index. *Third*, the Compensation Committee determined that performance stock awards granted in 2011 would be measured over a three-year performance period against this industry index, rather than the one-year performance period used to measure performance stock awards granted in 2010.

Board Recommendation

We currently believe that the proposed increase in share availability under the 2003 Plan will be sufficient for anticipated equity award grants to all eligible Company employees in February 2012 and February 2013. We have

Table of Contents

not granted equity awards under our 2000 Equity Participation Plan since May 2007 and, effective as of August 2010, we are prohibited from making any additional equity award grants under that plan. In addition, while 65,444 shares remain available for future grant under the 2002 Plan, the Company has not granted stock options under that plan since March 2004 and does not currently anticipate granting additional shares under that plan prior to its termination in November 2012. The Fifth Amended and Restated 2003 Plan provides that additional shares may not be authorized for issuance under the 2003 Plan, and that the term of the plan may not be extended, without stockholder approval. Outstanding stock options and other stock awards previously granted under the 2003 Plan will continue to be subject to the terms and conditions of the original award agreements.

The approval of this Proposal 2 will allow the Company to continue to grant stock options, performance stock awards and other equity incentive awards at levels it determines appropriate to attract and retain highly qualified individuals and to further align the compensation of our employees and executive officers with long-term Company stock price performance. The Board believes that the future success of the Company depends, in large part, upon the ability of the Company to maintain a competitive position in attracting, retaining and motivating employees and directors.

Accordingly, the Board believes the approval of this Proposal 2 is in the best interests of the Company and its stockholders and unanimously recommends that stockholders vote FOR the approval of Proposal 2 for the following reasons, among others:

The Company believes past equity awards have helped attract and retain high-quality employees who have contributed to our strong financial results since 2002, when the Company was spun off from Chugai Pharmaceutical, Co. Ltd. For example, the Company's diluted EPS has increased from \$0.27 in 2002 to \$2.18 in 2010, representing a compound annual growth rate (CAGR) of approximately 29.8%. In addition, total revenues have increased from \$155.6 million in 2002 to \$543.3 million in 2010, a CAGR of approximately 16.9%. During this same period, the Company's stock price has significantly outperformed both the Nasdaq Composite Index and the Nasdaq Biotech Index. Although past performance is not a guarantee of future results, the Company believes that maintaining a competitive equity compensation plan will help attract and retain employees who will contribute to the Company's future growth.

Gen-Probe's potential dilution, or overhang, from outstanding awards and shares available for future awards as of February 28, 2011 under all of our equity incentive plans was approximately 14.0%. This percentage would have been notably lower if the Company had not repurchased approximately 8.2 million shares of Company common stock between September 2008 and December 2010 under the terms of our recent stock repurchase programs. The foregoing overhang calculation is calculated conservatively as (a) the total shares underlying outstanding equity awards (6,536,304) and shares available for future awards under all of the Company's equity incentive plans (190,026), divided by (b) the total shares of Company common stock outstanding as of February 28, 2011. Based on an analysis of data supplied by an independent compensation consulting firm retained by Gen-Probe, this figure is comparable to an average total overhang of approximately 16.8% for the 22 companies analyzed, with whom the Company believes it competes for human resources, capital and/or customers. The average total overhang calculation for these 22 companies was based on the most recent period for which comprehensive data were publicly available as of March 2011.

Equity compensation remains a key component of a competitive compensation package in our industry and, we believe, effectively rewards employees and directors for the success of the Company over time. In 2008, 2009 and 2010, we granted 1,095,652, 853,366 and 1,185,642 equity awards to employees and directors, respectively. Our average annual burn rate over these three years of approximately 2.53% is less than the mean three-year average burn rate of approximately 3.40% for the 22 companies referenced above. The data analyzed regarding the equity compensation practices of these companies was based on the most recent three-year period for which comprehensive data regarding such companies were available as of March 2011. Gen-Probe's average annual burn rate over the last three years is calculated as (a) the sum of awards of stock

options, restricted stock and performance stock awards (adjusted using a conversion premium based on our annual stock price volatility, such that each restricted stock award and the maximum number of shares that may be issued pursuant to performance stock awards are valued as three stock option awards) granted during the applicable year, divided by (b) the total shares of Gen-Probe common stock outstanding as of the

Table of Contents

applicable fiscal year end. Our average annual burn rate would have been even lower if we had not repurchased approximately 8.2 million shares of our common stock between September 2008 and December 2010 under the terms of our recent stock repurchase programs.

As described in greater detail in our CD&A, since May 2009 when Company stockholders last approved an increase to the share reserve under the 2003 Plan, the Company has demonstrated its commitment to implement measures designed to further align equity compensation with Company performance. In 2010, the Company transitioned from its historical practice of granting restricted stock awards with time-based vesting provisions only to granting performance stock awards which incorporated annual financial performance measures in addition to time-based vesting provisions. In early 2011, the Company implemented the following three additional measures to achieve this goal: (1) the proportion of total annual equity award value represented by performance stock awards was increased from 25% to 40%; (2) the number of shares that will be issued pursuant to performance stock awards granted in 2011 will be based on our relative stock price performance in comparison to a defined industry index rather than independent Company financial performance; and (3) performance measurements for performance stock awards granted in 2011 will occur over a three-year performance period rather than an annual performance period.

Since April 2009, we have acquired three companies: Tepnel Life Sciences plc (now Gen-Probe Life Sciences Ltd.) (Tepnel); Prodesse, Inc. (now Gen-Probe Prodesse, Inc.) (Prodesse); and GTI Diagnostics (now Gen-Probe GTI Diagnostics, Inc.) (GTI). As a result of these acquisitions, we have increased the size of our workforce by over 300 employees. We believe that the successful integration and financial performance of these newly acquired companies will require the continued retention of key employees and that securing additional availability for the grant of equity awards under the 2003 Plan will be critical to achieving this goal.

As part of the amendments made to the 2003 Plan that were approved by Company stockholders in May 2009, consistent with developing corporate governance best practices, the 2003 Plan now requires stockholder approval for a number of transactions. For example, stockholder approval is required under the 2003 Plan for: (a) any amendment of the 2003 Plan that would enable stock options or stock appreciation rights to be granted with an exercise price below the fair market value on the grant date, or that would allow for the extension of the applicable exercise period beyond seven years from the grant date; or (b) to amend existing stock options and stock appreciation rights to reduce the exercise price below the share price as of the grant date. In addition, we have never re-priced outstanding equity awards or sought stockholder approval to do so.

As of February 28, 2011, the Company was authorized to grant awards to acquire only an additional 124,582 shares of common stock under the 2003 Plan, with this number being significantly smaller than our recent annual equity grants. If we are unable to continue to grant equity awards at a competitive level, we believe we would be at a significant disadvantage relative to our peers, especially in the biotechnology hub of San Diego, where we believe equity compensation is an expected and valued component of total compensation.

Stockholders are requested in this Proposal 2 to approve the amendment and restatement of the 2003 Plan to (a) increase the shares authorized for issuance under the 2003 Plan by 2,500,000 shares, (b) provide that shares of common stock that were subject to stock-settled stock appreciation rights and were not issued upon settlement or net exercise of such rights may not again be granted or awarded pursuant to the 2003 Plan, and (c) extend the expiration date of the 2003 Plan from March 3, 2013 to June 1, 2020. The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting will be required to approve this Proposal 2. Abstentions will have the same effect as an Against vote. Broker non-votes will have no effect.

A general description of the Fifth Amended and Restated 2003 Plan is set forth below. However, the description is qualified in its entirety by reference to the full text of the Fifth Amended and Restated 2003 Plan, a copy of which is

attached as Appendix A to this proxy statement.

Table of Contents**Description of the Fifth Amended and Restated 2003 Plan**

General Nature and Purposes of the Fifth Amended and Restated 2003 Plan. The principal purposes of the Fifth Amended and Restated 2003 Plan are to provide incentives for officers, employees and consultants of the Company and its subsidiaries through granting of stock options, restricted stock, stock appreciation rights, performance-based stock and/or cash bonus awards, dividend equivalent awards, stock payment awards, deferred stock awards and restricted stock units (collectively, Awards), thereby stimulating their personal and active interest in the Company's development and financial success, and inducing these individuals to remain in the Company's employ or service. In addition to Awards made to officers, employees or consultants, the Fifth Amended and Restated 2003 Plan provides for the granting of Awards, subject to the terms of the Fifth Amended and Restated 2003 Plan and pursuant to the Independent Director Equity Compensation Plan to be established by the Compensation Committee, to the Company's non-employee directors (the Independent Directors).

Administration of the Plan. The Fifth Amended and Restated 2003 Plan will be administered by the Compensation Committee with respect to Awards granted to employees or consultants and by the full Board with respect to Awards granted to Independent Directors (such administrative body, as applicable, the Administrator). The Compensation Committee consists of at least two members of the Board, each of whom is a non-employee director for purposes of Rule 16b-3 and an outside director for purposes of Section 162(m) of the Code. Subject to the terms and conditions of the Fifth Amended and Restated 2003 Plan, the Compensation Committee has the authority to select the persons to whom Awards are to be made, to determine the number of shares to be subject thereto and the terms and conditions thereof, and to make all other determinations and to take all other actions necessary or advisable for the administration of the Fifth Amended and Restated 2003 Plan. Similarly, subject to the terms of the Fifth Amended and Restated 2003 Plan, the Board has discretion to determine the terms and conditions of Awards granted to Independent Directors and to interpret and administer the Fifth Amended and Restated 2003 Plan with respect to such Awards. The Administrator is also authorized to adopt, amend, interpret and revoke rules relating to the administration of the Fifth Amended and Restated 2003 Plan, including the discretion to modify terms and conditions of individual Awards to comply with foreign laws, to establish subplans or modify exercise procedures where advisable, and to take other actions necessary to comply with foreign laws and stock exchange requirements.

Securities Subject to the Fifth Amended and Restated 2003 Plan. The aggregate number of shares of common stock which may be issued upon exercise of stock options and stock appreciation rights, or, subject to the limitation described below, as other Awards granted under the Fifth Amended and Restated 2003 Plan, will not exceed 13,000,000 in the aggregate. This share reserve consists of the 10,500,000 shares previously authorized for issuance under the 2003 Plan, plus an additional 2,500,000 shares to be added to the share reserve if Proposal 2 (Amendment to the 2003 Plan) is approved by our stockholders. Further, the maximum number of shares of common stock which may be subject to Awards granted under the 2003 Plan to any individual in any calendar year shall not exceed 500,000. In addition, the maximum aggregate amount of cash that may be paid to a participant during any calendar year with respect to one or more Awards payable in cash shall be \$3,000,000. Under the Fifth Amended and Restated 2003 Plan, an increase in the number of shares of common stock authorized for issuance may not be made without stockholder approval, except for adjustments as described below.

The shares available for Awards under the Fifth Amended and Restated 2003 Plan may be either previously unissued shares or treasury shares. Shares of common stock issued pursuant to equity incentives granted under the Fifth Amended and Restated 2003 Plan will be reduced by two shares for each share of common stock issued pursuant to any Award, other than an award of stock appreciation rights or options. Furthermore, dividend equivalents paid in cash under the Fifth Amended and Restated 2003 Plan in conjunction with any outstanding Awards will not be counted against the 13,000,000-share cap on shares issuable under the Fifth Amended and Restated 2003 Plan. The Administrator has the discretion to make appropriate adjustments in the number of securities subject to the Fifth Amended and Restated 2003 Plan and to outstanding Awards thereunder to reflect certain equity restructuring

changes, such as stock splits or stock dividends, as well as an extraordinary corporate event.

If any portion of a stock option, stock appreciation right or other Award granted under the 2003 Plan outstanding as of the effective date of the Fifth Amended and Restated 2003 Plan terminates or lapses unexercised,

Table of Contents

the shares which were subject to the unexercised portion of such option, stock appreciation right or other Award will continue to be available for issuance under the Fifth Amended and Restated 2003 Plan. If Proposal 2 is approved by our stockholders as provided for herein, shares of common stock that were subject to stock-settled stock appreciation rights and were not issued upon settlement or net exercise of such rights will not again be eligible for grant or award pursuant to the 2003 Plan. If, following the issuance of a share of common stock pursuant to an Award which counted as two shares against the share reserve, such Award terminates, lapses or cancels, then the number of shares of common stock available for issuance under the Fifth Amended and Restated 2003 Plan shall increase by two shares.

Term of the Fifth Amended and Restated 2003 Plan and Amendments. Unless stockholders approve this Proposal 2, the 2003 Plan will expire on March 3, 2013, unless earlier terminated. If this Proposal 2 is approved by our stockholders, the Fifth Amended and Restated 2003 Plan will expire on June 1, 2020, unless earlier terminated. Amendments of the Fifth Amended and Restated 2003 Plan to increase the number of shares authorized for issuance under the plan (except for adjustments resulting from stock splits and the like, and mergers, consolidations and other corporate transactions) require the approval of the Company's stockholders. The Fifth Amended and Restated 2003 Plan requires stockholder approval of any amendment that would enable options or stock appreciation rights to be granted with an exercise price below the fair market value on the grant date, or that would allow for the extension of the exercise period of an option or stock appreciation right beyond seven years from the grant date. The Fifth Amended and Restated 2003 Plan further provides that the Administrator may not (i) amend stock options and stock appreciation rights to reduce the exercise price below the share price as of the date of grant, (ii) grant new stock options or stock appreciation rights in exchange for the cancellation of outstanding awards, or (iii) offer a cash payment to buy out any outstanding stock option or stock appreciation right, unless stockholders have approved such an action. In all other respects, the Fifth Amended and Restated 2003 Plan can be amended, modified, suspended or terminated by the Administrator, unless such action would otherwise require stockholder approval as a matter of applicable law, regulation or rule. Amendments of the Fifth Amended and Restated 2003 Plan will not, without the consent of the participant, affect such person's rights under an outstanding Award, unless the Award agreement governing such Award itself otherwise expressly so provides.

Eligibility. Awards may be granted under the Fifth Amended and Restated 2003 Plan to individuals who are then officers or other employees of the Company or any of its present or future subsidiaries. Such Awards also may be granted to consultants of the Company selected by the Administrator for participation in the Fifth Amended and Restated 2003 Plan. All of our employees are eligible to participate in the Fifth Amended and Restated 2003 Plan. As of December 31, 2010, we had approximately 1,350 full-time employees. The Administrator has discretion to determine which Company subsidiaries will be governed by the Fifth Amended and Restated 2003 Plan and which individuals outside of the United States will be eligible for awards under the Fifth Amended and Restated 2003 Plan in order to comply with applicable foreign laws. Independent Directors of the Company and its subsidiaries may be granted Awards in accordance with the Fifth Amended and Restated 2003 Plan and the Independent Director Equity Compensation Policy referenced therein. As of April 1, 2011, the Company had nine Independent Directors as defined in the 2003 Plan.

Payment for Shares. The exercise or purchase price for all Awards, together with any applicable tax required to be withheld, must be paid in full in cash at the time of exercise or purchase or such other permissible consideration as the Administrator may allow. The Fifth Amended and Restated 2003 Plan provides that, with respect to stock options, the Administrator, in its sole discretion, may (i) allow payment, in whole or in part, through the delivery of shares of common stock, (ii) allow payment, in whole or in part, through the surrender of shares of common stock then issuable upon exercise of the option having a fair market value on the date of option exercise equal to the aggregate exercise price of the option or exercised portion thereof, (iii) allow payment, in whole or in part, through the delivery of a notice that the holder has placed a market sell order with respect to shares of common stock then issuable upon exercise of the option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the option exercise price; provided, that the payment of such proceeds is then made

to the Company upon settlement of such sale, and (iv) allow payment through any combination of the consideration provided in the foregoing subparagraphs (i), (ii) and (iii).

Awards under the Fifth Amended and Restated 2003 Plan. The Fifth Amended and Restated 2003 Plan provides that the Administrator may grant or issue stock options, restricted stock, stock appreciation rights,

Table of Contents

performance-based stock and/or cash bonus awards, dividend equivalent awards, stock payment awards, deferred stock awards and restricted stock units, or any combination thereof.

Non-Qualified Stock Options. NQSOs will provide for the right to purchase common stock at a specified price, which may not be less than the fair market value on the date of grant, and usually will become exercisable (in the discretion of the Administrator) in one or more installments after the grant date, subject to the participant's continued provision of services to the Company and/or subject to the satisfaction of individual or Company performance targets established by the Administrator. NQSOs may be granted for any term specified by the Administrator; provided that such term may not exceed seven years.

Incentive Stock Options (ISOs). ISOs will be designed to comply with applicable provisions of the Code and will be subject to certain restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price not less than the fair market value of a share of our common stock on the date of grant, may only be granted to employees, must expire within a specified period of time following the optionee's termination of employment, death or disability, and must be exercised within seven years after the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of stock of the Company, the Fifth Amended and Restated 2003 Plan provides that the exercise price for such ISO must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must expire upon the fifth anniversary of the date of its grant. To the extent the aggregate fair market value of stock with respect to which ISOs (determined without regard to the vesting limitations contained in Section 422(d) of the Code) are exercisable for the first time by an optionee during any calendar year exceeds \$100,000, such stock options will be taxed as NQSOs. For this purpose, the fair market value of stock will be determined as of the time the option is granted.

Director Options and Awards. The Independent Director Equity Compensation Policy established by the Administrator pursuant to the Fifth Amended and Restated 2003 Plan will govern stock option and other Award grants to Independent Directors, including with respect to their term and vesting period. Director options are NQSOs to purchase shares of common stock granted to Independent Directors. Director options will provide for the right to purchase common stock at a specified price, which may not be less than the fair market value on the date of grant. No portion of a director option will be exercisable upon the expiration of twelve months following termination of such director's services as a director of the Company by reason of permanent and total disability or death, or upon the expiration of three months following termination of such director's services as a director of the Company by reason other than of permanent and total disability or death, unless the option holder dies within such three month period or unless otherwise set forth in the option agreement. Under the Company's form of option agreement for employees and directors, option holders may exercise vested stock options for a period of twelve months following their retirement.

In addition to NQSOs, the Independent Director Equity Compensation Policy may permit the Independent Directors to receive other types of Awards under the 2003 Plan, with such terms and conditions as may be set forth in such policy. Independent Directors may not receive discretionary Award grants under the 2003 Plan which are not authorized by the Independent Director Equity Compensation Policy.

Restricted Stock. The Administrator is authorized to determine (i) which employees and consultants of the Company or any subsidiary should be issued restricted stock, (ii) the number of shares of restricted stock to be issued to such employees and consultants and (iii) the terms and conditions applicable to such restricted stock, consistent with the Fifth Amended and Restated 2003 Plan. Restricted stock issued under the Fifth Amended and Restated 2003 Plan is subject to such restrictions as the Administrator may provide in the terms of each individual restricted stock agreement, which restrictions may include, without limitation, restrictions concerning voting rights and transferability and restrictions based on duration of employment with or services to the Company, Company performance and individual performance; *provided, however*, that the Administrator may remove any or all of such restrictions after issuance of the restricted stock. Restricted stock typically may be repurchased by the Company at the original

purchase price if the conditions or restrictions are not met and in the event of the grantee's termination of employment or consultancy, although the Administrator may make exceptions based on the reason for termination or on other factors. Shares of restricted stock may also be granted to Independent Directors,

Table of Contents

pursuant to such policies as may be adopted by the Board from time to time. Shares of restricted stock granted to Independent Directors may be fully vested as of the date of grant.

Stock Appreciation Rights. The Administrator may grant stock appreciation rights having terms and conditions consistent with the Fifth Amended and Restated 2003 Plan to employees, consultants or Independent Directors in connection with stock options or separately. Stock appreciation rights granted by the Administrator in connection with stock options entitle the optionee to surrender unexercised to the Company a portion of the stock option to which the stock appreciation right relates in exchange for an amount determined by multiplying (i) the difference obtained by subtracting the stock option exercise price from the fair market value of a share of common stock on the date of exercise of the stock appreciation right by (ii) the number of shares of common stock with respect to which the stock appreciation right has been exercised. Stock appreciation rights granted by the Administrator independent of stock options granted under the Fifth Amended and Restated 2003 Plan would entitle the grantee to exercise all or a specified portion of the stock appreciation right (at the exercise price per share of common stock subject to such stock appreciation right set by the Administrator) in exchange for an amount determined by multiplying (i) the difference obtained by subtracting the stock appreciation right purchase price from the fair market value of a share of common stock on the date of exercise of the stock appreciation right by (ii) the number of shares of common stock with respect to which the stock appreciation right has been exercised. The amounts determined above may be paid to the grantee of a stock appreciation right in cash, in common stock (based on its fair market value as of the date the stock appreciation right is exercised) or a combination of both, as determined by the Administrator.

The exercise price per share of a stock appreciation right may not be less than the fair market value of a share of common stock on the date of grant. Stock appreciation rights may be granted for any term specified by the Administrator; provided that such term may not exceed seven years. Except as described in the preceding sentence or otherwise required by Section 162(m) of the Code with respect to a stock appreciation right intended to qualify as performance-based compensation as described in Section 162(m) of the Code, there are no restrictions specified in the Fifth Amended and Restated 2003 Plan on the exercise of stock appreciation rights or the amount of gain realizable therefrom, although restrictions may be imposed by the Administrator in the stock appreciation right agreements.

Performance Awards. The Administrator is authorized to grant performance awards (Performance Awards) to employees, consultants and Independent Directors and to determine whether such Awards will be performance-based compensation for purposes of Section 162(m) of the Code. The value of Performance Awards may be linked to any one or more of the performance criteria described in the Fifth Amended and Restated 2003 Plan (as described in the Section 162(m) Limitation discussion below) or other specific criteria determined by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. In making such determinations, the Administrator is to consider (among such other factors as it deems relevant in light of the specific type of Award) the contributions, responsibilities and other compensation of the particular eligible individual. Performance Awards may be paid in cash, shares of common stock, or both, as determined by the Administrator. The Administrator may grant Performance Awards in the form of a cash bonus payable upon the attainment of objective performance goals, or such other criteria, whether or not objective, which are established by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. Any such bonuses paid which are intended to be performance-based compensation for purposes of Section 162(m) of the Code must be based upon objectively determinable bonus formulas established in accordance with the Fifth Amended and Restated 2003 Plan.

Dividend Equivalents. The Administrator may grant the right to receive the equivalent value (in cash or common stock) of dividends paid on common stock (Dividend Equivalents) based on dividends declared on the common stock subject to any Award, to be credited as of dividend payment dates during the period between the date an Award is granted to a holder and the date such Award vests, is exercised, is distributed or expires, as determined by the Administrator. Such Dividend Equivalents will be converted to cash or additional shares of common stock by such

formula and at such time and subject to such limitations as may be determined by the Administrator. No Dividend Equivalents will be payable with respect to stock options or stock appreciation rights.

Table of Contents

Stock Payments. The Administrator may make a payment to employees, consultants and Independent Directors in the form of shares of common stock, or an option or other right to purchase shares of common stock, as part of a bonus, deferred compensation or other arrangement under the Fifth Amended and Restated 2003 Plan (a *Stock Payment*). The number or value of shares of any Stock Payment will be determined by the Administrator and may be based on one or more performance criteria described below in the *Section 162(m) Limitation* discussion or any other specific criteria, including continued service, determined by the Administrator. Common stock underlying a Stock Payment which is subject to a vesting schedule or other conditions or criteria will not be issued until those conditions have been satisfied. Unless otherwise provided by the Administrator, a holder of a Stock Payment will have no rights as a Company stockholder with respect to such Stock Payment until such time as the Stock Payment has vested and the common stock underlying the Award has been issued to the holder. Stock Payments may (but are not required to) be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to the applicable individual.

Deferred Stock. The Administrator may grant deferred stock to employees, consultants and Independent Directors. The number of shares of deferred stock will be determined by the Administrator and may be based on one or more performance criteria described below in the *Section 162(m) Limitation* discussion or other specific criteria, including continued service, as the Administrator determines, in each case on a specified date or dates or over any period or periods determined by the Administrator. Common stock underlying a deferred stock award which is subject to a vesting schedule or other conditions or criteria will not be issued until those conditions have been satisfied. Unless otherwise provided by the Administrator, a holder of deferred stock shall have no rights as a Company stockholder with respect to such deferred stock until such time as the Award has vested and the common stock underlying the Award has been issued to the holder.

Restricted Stock Units. The Administrator may grant restricted stock units to employees, consultants and Independent Directors. The number and terms and conditions of restricted stock units will be determined by the Administrator, including the date or dates on which the restricted stock units will become fully vested and nonforfeitable. The Administrator may specify such conditions to vesting as it deems appropriate, including conditions based on one or more performance criteria described below in the *Section 162(m) Limitation* discussion or other specific criteria, including continued service, in each case on a specified date or dates or over any period or periods, as the Administrator determines. The Administrator will specify, or permit the holder to elect, the conditions and dates upon which the shares of common stock underlying the restricted stock units shall be issued, which dates shall not be earlier than the date as of which the restricted stock units vest and become nonforfeitable and which conditions and dates will be subject to compliance with Section 409A of the Code. On the distribution dates, the Company will issue to the holder one unrestricted, fully transferable share of common stock for each vested and nonforfeitable restricted stock unit.

Agreements; Consideration to the Company. Each Award will be set forth in a separate agreement with the person receiving the Award and will indicate the type, terms and conditions of the Award. The dates on which Awards under the Fifth Amended and Restated 2003 Plan first become exercisable and on which they expire will be set forth in individual Award agreements setting forth the terms of the Awards. Such agreements generally will provide that Awards expire upon termination of the participant's status as an employee, consultant or director, although the Administrator may provide that Awards granted to employees or consultants continue to be exercisable following a termination without cause, or because of the grantee's retirement, death, disability or otherwise.

General Terms of Awards under the Fifth Amended and Restated 2003 Plan

Full Value Award Vesting Restriction. The Fifth Amended and Restated 2003 Plan provides that the minimum vesting period for Full Value Awards will generally be three years, with no minimum vesting required for stock options or stock appreciation rights. In the case of performance-based vesting, the minimum vesting period for Full Value Awards will generally be one year, commencing simultaneously with the evaluation of the performance.

However, the Fifth Amended and Restated 2003 Plan provides that the Company may grant Full Value Awards without regard to these minimum vesting restrictions, in an aggregate amount of up to 5% of the share reserve of the Fifth Amended and Restated 2003 Plan.

Table of Contents

Non-Assignability. No Award granted under the Fifth Amended and Restated 2003 Plan may be assigned or transferred by the grantee, except by will, the laws of descent and distribution or pursuant to a qualified domestic relations order, although the shares underlying such Awards may be transferred if all applicable restrictions have lapsed. During the lifetime of the holder of any stock option or right, the stock option or right may be exercised only by the holder. Notwithstanding the foregoing, the Administrator may grant NQSOs that may be assigned or transferred, subject to certain conditions, to permitted transferees, which include a child, grandchild, parent, spouse, niece or nephew of the holder.

Extraordinary Corporate Events. The Administrator has discretion under the Fifth Amended and Restated 2003 Plan to provide that stock options and other rights to acquire common stock will expire at specified times following, or become exercisable in full upon, the occurrence of certain specified extraordinary corporate events; but in such event the Administrator may also give optionees and other grantees the right to exercise their outstanding stock options or rights in full during some period prior to such event, even though Awards have not yet become fully exercisable, and the Administrator may also provide that all restrictions imposed on some or all shares of restricted stock and other Awards shall lapse, and some or all shares of restricted stock may cease to be subject to the Company's repurchase right after such event.

Effect of Change in Control. Notwithstanding anything in the Fifth Amended and Restated 2003 Plan or the provisions of any Award to the contrary, in the event of a Change in Control, each outstanding Award shall, immediately prior to the effective date of the Change in Control, automatically become fully vested, exercisable or payable, as applicable, for all of the shares of common stock at the time subject to such Award and, as applicable, may be exercised for any or all of the shares of common stock subject to the Award.

For purposes of the Fifth Amended and Restated 2003 Plan, Change in Control means a change in ownership or control of the Company effected through any of the following transactions: (a) any person or related group of persons (other than the Company or a person that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer for securities of the Company; (b) there is a change in the composition of the Board over a period of thirty-six (36) consecutive months (or less) such that a majority of the Board members (rounded up to the nearest whole number) ceases, by reason of one or more proxy contests for the election of Board members, to be comprised of individuals who either (i) have been Board members continuously since the beginning of such period or (ii) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board; (c) a merger or consolidation of the Company with any other corporation (or other entity), other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or another entity) more than 66²/₃% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; *provided, however*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires more than 25% of the combined voting power of the Company's then outstanding voting securities shall not constitute a Change in Control; or (d) a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

Transfer Restrictions. The Administrator, in its discretion, may impose such restrictions on the transferability of the shares purchasable upon the exercise of an Award as it deems appropriate. Any such other restriction shall be set forth in the respective Award agreement and may be referred to on the certificates evidencing such shares. The Administrator may require the employee to give the Company prompt notice of any disposition of shares of stock

acquired by exercise of an ISO within two years from the date of granting such ISO or one year after the transfer of such shares to such employee. The Administrator may direct that the certificates evidencing shares acquired by exercise of an ISO refer to such requirement to give prompt notice of disposition.

Withholding Tax Obligations. As a condition to the issuance or delivery of stock or payment of other compensation pursuant to the exercise or lapse of restrictions of any Award granted under the Fifth Amended and

Table of Contents

Restated 2003 Plan, the Company requires participants to discharge applicable withholding tax obligations. Shares held by or to be issued to a participant may also be used to discharge tax withholding obligations related to exercise of stock options or receipt of other Awards, subject to the discretion of the Administrator to disapprove such use.

Securities Law. The Fifth Amended and Restated 2003 Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated by the SEC thereunder, including, without limitation, Rule 16b-3 of the Exchange Act. The Fifth Amended and Restated 2003 Plan will be administered, and Awards will be granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Fifth Amended and Restated 2003 Plan and Awards granted thereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Certain Federal Income Tax Consequences With Respect to the Fifth Amended and Restated 2003 Plan. The U.S. federal income tax consequences of the Fifth Amended and Restated 2003 Plan are summarized in the following discussion which deals with the general tax principles applicable to the Fifth Amended and Restated 2003 Plan, and is intended for general information only. Foreign, state and local income taxes are not discussed. Also, the following discussion does not address U.S. federal employment tax consequences. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. The tax information summarized herein is not tax advice.

Non-Qualified Stock Options. For federal income tax purposes, an optionee generally will not recognize taxable income on the grant of an NQSO under the Fifth Amended and Restated 2003 Plan, but will recognize ordinary income, and the Company or other employer corporation generally will be entitled to a deduction, upon the exercise of an NQSO. The amount of income recognized (and the amount generally deductible by the Company or other employer corporation) generally will be equal to the excess, if any, of the fair market value of the shares at the time of exercise over the aggregate exercise price paid for the shares, regardless of whether the exercise price is paid in cash or in shares or other property. An optionee's basis for the stock for purposes of determining his or her gain or loss upon a subsequent disposition of the shares generally will be the fair market value of the stock on the date of exercise of the NQSO, and any subsequent gain or loss will generally be taxable as capital gains or losses.

Incentive Stock Options. An optionee generally will not recognize taxable income upon either the grant or exercise of an ISO; however, the amount by which the fair market value of the shares at the time of exercise exceeds the exercise price will be an item of adjustment for the optionee for purposes of the alternative minimum tax. Generally, upon the sale or other taxable disposition of the shares of common stock acquired upon exercise of an ISO, the optionee will recognize income taxable as capital gains in an amount equal to the excess, if any, of the amount realized in such disposition over the option exercise price, provided that no disposition of the shares has taken place within either (a) two years from the date of grant of the ISO or (b) one year from the date of exercise. If the shares of common stock are sold or otherwise disposed of before the end of the one-year and two-year periods specified above, the difference between the ISO exercise price and the fair market value of the shares on the date of exercise generally will be taxable as ordinary income; the balance of the amount realized from such disposition, if any, generally will be taxed as capital gains. If the shares of common stock are disposed of before the expiration of the one-year and two-year periods, the optionee's ordinary income generally is limited to the excess, if any, of the amount realized in such disposition over the option exercise price paid. The Company (or other employer corporation) generally will be entitled to a tax deduction with respect to an ISO only to the extent the optionee has ordinary income upon sale or other disposition of the shares of common stock.

Stock Appreciation Rights. Taxable income is not generally recognized upon the receipt of a stock appreciation right, but upon exercise of the stock appreciation right the fair market value of the shares (or cash in lieu of shares) received generally will be taxable as ordinary income to the recipient in the year of such exercise. The Company (or other

employer corporation) generally will be entitled to a compensation deduction for the same amount which the recipient recognizes as ordinary income.

Restricted Stock. An employee to whom restricted stock is issued generally will not recognize taxable income upon such issuance and the Company (or other employer corporation) generally will not then be entitled to a deduction, unless an election is made under Section 83(b) of the Code. However, when restrictions on shares of restricted stock lapse, such that the shares are no longer subject to a substantial risk of forfeiture, the employee

Table of Contents

generally will recognize ordinary income and the Company (or other employer corporation) generally will be entitled to a deduction for an amount equal to the excess of the fair market value of the shares at the date such restrictions lapse over the purchase price therefor. If a timely election is made under Section 83(b) with respect to qualifying restricted stock, the employee generally will recognize ordinary income at the date of issuance equal to the excess, if any, of the fair market value of the shares at that date over the purchase price therefor and the Company (or other employer corporation) will be entitled to a deduction for the same amount.

Restricted Stock Units. The grantee generally will not realize taxable income at the time of the grant or vesting of restricted stock units, and the Company will not be entitled to a deduction at such times, and a grantee may not make a Section 83(b) election with respect to restricted stock units. When a vested restricted stock unit award is paid, the grantee will have ordinary income in an amount equal to the fair market value of the shares delivered, and the Company will be entitled to a corresponding deduction for the same amount.

Dividend Equivalents, Deferred Stock, Stock Payments and Performance Awards. A 2003 Plan participant will not recognize taxable income and the Company will not be entitled to a tax deduction upon the grant of Dividend Equivalents, deferred stock, Stock Payments or Performance Awards until cash or shares are paid or distributed to the participant. At that time, any cash payments or the fair market value of shares that the participant receives will be taxable to the participant at ordinary income tax rates and the Company should be entitled to a corresponding tax deduction for the same amount. Payments in shares will be valued at the fair market value of the shares at the time of the payment.

Section 409A of the Code. Certain types of Awards under the 2003 Plan, including restricted stock units, may constitute, or provide for, a deferral of compensation subject to Section 409A of the Code. Unless certain requirements set forth in Section 409A are complied with, holders of such Awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% penalty tax (and, potentially, certain interest penalties). To the extent applicable, the 2003 Plan and Awards granted thereunder will be structured and interpreted to comply with Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A. To the extent determined necessary or appropriate by the Administrator, the 2003 Plan and applicable Award agreements may be amended to exempt the applicable Awards from Section 409A of the Code or to comply with Section 409A.

Section 162(m) Limitation. In general, under Section 162(m) of the Code, income tax deductions of publicly held corporations may be limited to the extent total compensation (including base salary, annual bonus, stock option exercises, transfers of property and benefits paid under non-qualified plans) for certain executive officers exceeds \$1,000,000 (less the amount of any excess parachute payments as defined in Section 280G of the Code) in any one year. However, under Section 162(m), the deduction limit does not apply to certain performance-based compensation.

Under Section 162(m), stock options and stock appreciation rights will satisfy the performance-based compensation exception if (a) the award of the stock options or stock appreciation rights is made by a committee of the Board consisting solely of two or more outside directors, (b) the plan sets the maximum number of shares that can be granted to any person within a specified period and (c) the compensation is based solely on an increase in the stock price after the grant date (i.e., the stock option or stock appreciation right exercise price is equal to or greater than the fair market value of the stock subject to the award on the grant date). Other types of awards may only qualify as performance-based compensation if such awards are only granted or payable to the recipients based upon the attainment of objectively determinable and pre-established performance goals which are established by a qualifying committee and which relate to performance targets which are approved by the Company's stockholders.

The Fifth Amended and Restated 2003 Plan has been designed to permit the Administrator to grant stock options and stock appreciation rights which will qualify as performance-based compensation. In addition, to permit Awards other

than stock options and stock appreciation rights to qualify as performance-based compensation, the Fifth Amended and Restated 2003 Plan provides that the Administrator may designate as Section 162(m) Participants certain employees whose compensation for a given fiscal year may be subject to the limit on deductible compensation imposed by Section 162(m) of the Code. The Administrator may grant Awards to Section 162(m) Participants that vest or become exercisable upon the attainment of performance targets which are related to one or more of the following performance goals with respect to the Company, any subsidiary or any

Table of Contents

division or operating unit: (a) revenue; (b) sales; (c) cash flow; (d) earnings per share of common stock (including earnings before any one or more of the following: (i) interest; (ii) taxes; (iii) depreciation; and (iv) amortization); (e) return on equity; (f) total stockholder return; (g) return on capital; (h) return on assets or net assets; (i) income or net income; (j) operating income or net operating income; (k) operating profit or net operating profit; (l) operating margin; (m) cost reductions or savings; (n) research and development expenses (including research and development expenses as a percentage of sales or revenues); (o) working capital; and (p) market share.

Awards Granted Under the 2003 Plan. We cannot currently determine the benefits or number of shares subject to Awards that may be granted in the future to directors, executive officers and employees (including employee directors) under the Fifth Amended and Restated 2003 Plan. Pursuant to Board policy, since May 2009 the Company has granted options to purchase 7,500 shares of its common stock to each non-employee director of the Company on an annual basis. In addition, since November 2008 each non-employee director elected to the Board has received an initial option grant consisting of the right to acquire 15,000 shares of Company common stock. The following table sets forth information with respect to all equity awards granted under the 2003 Plan to each of the Company's named executive officers, all current executive officers as a group, all current directors (other than executive officers) as a group and all employees (including all current officers who are not executive officers) receiving awards as a group as of February 28, 2011.

Name	Number of Shares Underlying Awards Granted (#)
Carl W. Hull	501,520
Herm Rosenman	261,749
Daniel L. Kacian, Ph.D., M.D.	356,235
R. William Bowen	288,590
Eric Lai, Ph.D.	101,138
All current executive officers as a group (10 persons)	2,295,512
All current directors (other than executive officers) as a group (9 persons)	1,082,554
All employees receiving awards (including all current officers who are not executive officers) as a group (1,730 persons)	8,442,214

The closing price of our common stock on the Nasdaq Global Select Market as of March 31, 2011 was \$66.35.

The Board of Directors unanimously recommends a vote FOR Proposal 2.

Table of Contents

**SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of the Company's common stock as of February 18, 2011 by: (i) all those known by the Company to be beneficial owners of more than five percent of the Company's common stock; (ii) each of the Company's named executive officers; (iii) each director of the Company; and (iv) all directors and executive officers of the Company as a group. Except as otherwise noted, the address of each person listed in the table is c/o Gen-Probe Incorporated, 10210 Genetic Center Drive, San Diego, California 92121.

	Number of Shares Owned (#)(2)	Beneficial Ownership(1)		Percent of Total (%)
		Right to Acquire (#)(3)	Total (#)	
Five Percent Beneficial Stockholders:				
BlackRock, Inc.(4)	4,450,976		4,450,976	9.22%
Morgan Stanley(5)	4,343,944		4,343,944	9.00%
Manning & Napier Advisors, Inc.(6)	3,420,005		3,420,005	7.08%
Baron Capital Group, Inc.(7)	2,583,934		2,583,934	5.35%
Janus Capital Management LLC(8)	2,471,755		2,471,755	5.12%
Executive Officers and Directors:				
Carl W. Hull	45,673(9)	189,062	234,735	*
Herm Rosenman	25,895	157,816	183,711	*
Daniel L. Kacian, Ph.D., M.D.	77,987	163,831	241,818	*
R. William Bowen	17,825	99,685	117,510	*
Eric Lai, Ph.D.	2,763	24,478	27,241	*
Henry L. Nordhoff	66,726(10)	156,041	222,767	*
John W. Brown	12,285	61,875	74,160	*
Armin M. Kessler	4,202	71,875	76,077	*
John C. Martin, Ph.D.	4,024	41,875	45,899	*
Brian A. McNamee, M.B.B.S.	673	15,000	15,673	*
Phillip M. Schneider	9,845	91,875	101,720	*
Lucy Shapiro, Ph.D.	688	34,513	35,201	*
Abraham D. Sofaer	29,877(11)	61,875	91,752	*
Patrick J. Sullivan	50		50	*
All executive officers and directors as a group (19 individuals)	353,571(12)	1,468,538(13)	1,822,109	3.66%

* Represents beneficial ownership of less than 1% of our common stock.

(1) This table is based on information supplied by officers and directors, as well as principal stockholders via Schedules 13G (as indicated) filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 48,278,460 shares outstanding on February 18, 2011, adjusted as required by rules promulgated by the SEC.

- (2) The amounts reported for our named executive officers include the following specified number of shares of restricted stock, and shares of Company common stock issued in February 2011 pursuant to performance stock awards granted in February 2010, that are still subject to restriction as of 60 days after February 18, 2011: Mr. Hull (10,598); Mr. Rosenman (7,363); Dr. Kacian (9,402); Mr. Bowen (7,915); and Dr. Lai (1,717). The amounts reported for Mr. Hull also include 10,417 shares underlying deferred issuance restricted stock awards that are still subject to restriction as of 60 days after February 18, 2011. See the CD&A below for more

Table of Contents

information regarding the terms of the restricted stock and deferred issuance restricted stock awards granted to our executive officers.

- (3) Represents the number of shares issuable upon exercise of stock options exercisable as of February 18, 2011 or within 60 days thereafter.
- (4) The business address for BlackRock, Inc. is 40 East 52nd Street, New York, New York, 10022. The foregoing information is based solely upon information contained in a Schedule 13G/A filed with the SEC by BlackRock, Inc. on February 4, 2011.
- (5) The business address for Morgan Stanley is: 1585 Broadway, New York, New York 10036. The foregoing information is based solely upon information contained in a Schedule 13G/A filed with the SEC by Morgan Stanley on February 9, 2011.
- (6) The business address for Manning and Napier Advisors, Inc. is 290 Woodcliff Drive, Fairport, New York 14450. The foregoing information is based solely upon information contained in a Schedule 13G filed with the SEC by Manning and Napier Advisors, Inc. on February 11, 2011.
- (7) The amounts reported are beneficially owned by Baron Capital Group, Inc. and certain affiliated entities and individuals. The business address for Baron Capital Group, Inc. is: 767 Fifth Avenue, 49th Floor, New York, New York 10153. The foregoing information is based solely upon information contained in a Schedule 13G/A filed with the SEC by Baron Capital Group, Inc. and its affiliated entities and individuals on February 14, 2011.
- (8) The business address for Janus Capital Management LLC is 151 Detroit Street, Denver, Colorado 80206. The foregoing information is based solely upon information contained in a Schedule 13G filed with the SEC by Janus Capital Management LLC on February 14, 2011.
- (9) The amount reported includes shares of restricted stock issued to Mr. Hull in 2007 and 2008, shares of deferred issuance restricted stock issued to Mr. Hull in 2009, and shares of Company common stock issued to Mr. Hull in February 2011 pursuant to performance stock awards granted to Mr. Hull in February 2010, of which an aggregate of 20,505 shares underlying such awards were vested as of February 18, 2011 or will become vested within 60 days thereafter. Pursuant to the applicable deferred issuance restricted stock award agreement, and subject to vesting in accordance with their terms, the deferred issuance restricted stock awards will be issued to Mr. Hull on the earlier of the date on which the shares underlying such awards become fully vested or the date on which Mr. Hull is neither employed by, nor a director of, the Company. All deferred issuance restricted stock awards held by Mr. Hull will further be issued in a manner that complies with Section 409A of the Code, which may include deferring the issuance of such shares for six months after the date on which Mr. Hull is neither employed by, nor a director of, the Company.
- (10) Includes an aggregate of 40,000 deferred issuance restricted stock awards, of which 20,000 awards were granted to Mr. Nordhoff in each of 2007 and 2008, prior to his retirement as the Company's CEO. An aggregate of 31,666 shares underlying such awards were vested as of 60 days after February 18, 2011. Pursuant to the applicable deferred issuance restricted stock award agreement, and subject to vesting in accordance with their terms, the deferred issuance restricted stock awards will be issued to Mr. Nordhoff on the earlier of the date on which all shares underlying the applicable award have fully vested or the date on which Mr. Nordhoff is no longer a director of the Company. All deferred issuance restricted stock awards held by Mr. Nordhoff will further be issued in a manner that complies with Section 409A of the Code, which may include deferring the issuance of such shares for six months after the date on which Mr. Nordhoff no longer serves as a director of the Company.

- (11) Includes 1,000 shares of common stock held by the Trust FBO Michael J. Sofaer, of which Mr. Sofaer is a trustee; 1,000 shares of common stock held by the Trust FBO Helen R. Sofaer, of which Mr. Sofaer is a trustee; 1,000 shares of common stock held by the Trust FBO Joseph S. Sofaer, of which Mr. Sofaer is a trustee; 1,000 shares of common stock held by the Trust FBO Aaron R. Sofaer, of which Mr. Sofaer is a trustee; and 1,000 shares of common stock held by the Trust FBO Raphael J. Sofaer, of which Mr. Sofaer is a trustee.
- (12) Includes an aggregate of 55,058 shares (including restricted shares) which other executive officers of the Company own as of February 18, 2011, as follows: Ms. De Walt (14,459); Ms. Ellerbrock (7,995); Dr. Gargan (18,341); Mr. Tardif (2,545, 200 of which are owned by Mr. Tardif's spouse); and Dr. Yang (11,718).

Table of Contents

- (13) Includes an aggregate of 298,737 shares issuable to other executive officers of the Company pursuant to outstanding stock options exercisable as of February 18, 2011 or which become exercisable within 60 days thereafter, as follows: Ms. De Walt (128,445); Ms. Ellerbrock (39,641); Dr. Gargan (65,359); Mr. Tardif (2,148); and Dr. Yang (63,144).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely upon a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2010, all Section 16(a) filing requirements applicable to the Company's officers, directors and greater than ten percent beneficial owners were complied with, except that the Company was one day late in filing one Form 4 on behalf of Stephen J. Kondor, the Company's former Senior Vice President, Sales & Marketing, related to the sale of Company common stock by Mr. Kondor in February 2010.

Table of Contents**EXECUTIVES****Executive Officers**

The following table sets forth information as to persons who serve as our executive officers as of April 1, 2011.

Name	Position	Age
Carl W. Hull	President, Chief Executive Officer and Director	53
Daniel L. Kacian, Ph.D., M.D.	Executive Vice President and Chief Scientist	64
R. William Bowen	Senior Vice President, General Counsel and Secretary	58
Diana De Walt	Senior Vice President Human Resources	56
Jorgine Ellerbrock	Senior Vice President Operations	49
Paul E. Gargan, Ph.D.	Senior Vice President Business Development	54
Eric Lai, Ph.D.	Senior Vice President Research and Development	54
Herm Rosenman	Senior Vice President Finance and Chief Financial Officer	63
Eric Tardif	S	