NUVEEN GEORGIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2
Form N-2/A
January 22, 2010

As filed with the Securities and Exchange Commission on January 22, 2010

1933 Act File No. 333-163433

1940 Act File No. 811-21152

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-2

(Check appropriate box or boxes)

x **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

x **Pre-Effective Amendment No. 1**

¨ **Post-Effective Amendment No.**

and

x **REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**

x **Amendment No. 7**

Nuveen Georgia Dividend Advantage Municipal Fund 2

Exact Name of Registrant as Specified in Declaration of Trust

333 West Wacker Drive, Chicago, Illinois 60606

Address of Principal Executive Offices (Number, Street, City, State, Zip Code)

(800) 257-8787

Registrant s Telephone Number, including Area Code

Kevin J. McCarthy

Vice President and Secretary

333 West Wacker Drive

Chicago, Illinois 60606

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

Copies of Communications to:

Stacy H. Winick	**Eric F. Fess**	**Sarah E. Cogan**
K&L Gates LLP	**Chapman and Cutler LLP**	**Simpson Thacher & Bartlett LLP**
1601 K Street, N.W.	**111 W. Monroe**	**425 Lexington Avenue**
Washington, DC 20006	**Chicago, IL 60603**	**New York, NY 10017**

Approximate Date of Proposed Public Offering:

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

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ¨

It is proposed that this filing will become effective (check appropriate box)

¨ when declared effective pursuant to section 8(c)

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
MuniFund Term Preferred Shares, Series 2015	3,451,725 Shares(1)	$ 10	$ 34,517,250	$ 2,461.08

(1) The Fund will offer up to 1,000 shares of MuniFund Term Preferred Shares, % Series 2015, at an offering price of $10 per share.
(2) Estimated solely for the purpose of calculating the registration fee.
(3) $0.56 of which has been previously paid.

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

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued January 22, 2010

Nuveen Georgia Dividend Advantage Municipal Fund 2

MUNIFUND TERM PREFERRED SHARES

Shares, % Series 2015

Liquidation Preference $10 Per Share

The Offering. *Nuveen Georgia Dividend Advantage Municipal Fund 2 is offering MuniFund Term Preferred Shares, % Series 2015 (Series 2015 MTP Shares), with a liquidation preference of $10 per share (MTP Shares). The Fund intends to use the net proceeds from the sale of MTP Shares to refinance and redeem all of the Fund s outstanding Municipal Auction Rate Cumulative Preferred Shares (MuniPreferred shares), and to maintain the Fund s leveraged capital structure. Certain of the underwriters and their affiliates or their customers own or are obligated to repurchase in the future MuniPreferred shares and, as a result, may benefit from any such redemption. See Prospectus Summary The Offering.*

The Fund. *The Fund is a diversified, closed-end management investment company. The Fund s investment objectives are to provide current income exempt from regular federal and Georgia income tax and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Fund s investment adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued.*

Listing. *Application has been made to list the MTP Shares on the New York Stock Exchange so that trading on such exchange will begin within 30 days after the date of this prospectus, subject to notice of issuance. Prior to the expected commencement of trading on the New York Stock Exchange, the underwriters do not intend to make a market in the MTP Shares. Consequently, it is anticipated that, prior to the commencement of trading on the New York Stock Exchange, an investment in the MTP Shares will be illiquid and holders of MTP Shares may* *not be able to sell such shares as it is unlikely that a secondary market for the MTP Shares will develop. If a secondary market does develop prior to the commencement of trading on the New York Stock Exchange, holders of MTP Shares may be able to sell such shares only at substantial discounts from their liquidation preference. The trading or ticker symbol is NKG Pr C.*

Investing in MuniFund Term Preferred Shares involves risks. See Risks beginning on page 46.

PRICE $10 A SHARE

	Price to Public	Underwriting Discounts and Commissions[1,2]	Proceeds to the Fund[3]
Per Share	$10.00	$0.15	$9.85
Total	$	$	$

[1] *Nuveen Asset Management, the Fund s investment adviser (and not the Fund), has agreed to pay from its own assets a development fee to Morgan Stanley & Co. Incorporated. See Underwriters on page 65 of this prospectus.*

[2] *Total expenses of issuance and distribution, excluding underwriting discounts and commissions, are estimated to be $255,000.*

[3] *The Fund has granted the underwriters the right to purchase up to additional MTP Shares at the public offering price, less underwriting discounts and commissions, within 30 days of the date of this prospectus solely to cover over-allotments, if any. If such option is exercised in full, the Price to Public, Underwriting Discounts and Commissions and Proceeds to the Fund will be $, $ and $, respectively. See Underwriters on page 64 of this prospectus.*

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Book-Entry Only. *It is expected that the MTP Shares will be delivered to the underwriters in book-entry form only, through the facilities of the Depository Trust Company, on or about January , 2010.*

CUSIP No. 67072B 305

Sole Structuring Coordinator *Joint Book Runners*

MORGAN STANLEY BofA MERRILL LYNCH CITI UBS INVESTMENT BANK WELLS FARGO SECURITIES

Co-Manager NUVEEN INVESTMENTS, LLC

January   , 2010

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Investment Strategies. *Under normal market conditions, the Fund invests its net assets in a portfolio of municipal securities that are exempt from regular federal and Georgia income taxes. Under normal market conditions, the Fund expects to be fully invested (at least 95% of its assets) in such tax-exempt municipal securities. The Fund invests at least 80% of its net assets in municipal securities that at the time of investment are investment grade quality. Investment grade quality securities are securities rated within the four highest grades (Baa or BBB or better). The Fund may invest up to 20% of its net assets in municipal securities that, at the time of investment, are rated Ba/BB or B by Moody s Investors Service, Inc. (Moody s), Standard & Poor s Financial Services, LLC, a subsidiary of The McGraw-Hill Companies, Inc. (S&P) or Fitch Ratings, Inc. (Fitch) or that are unrated but judged to be of comparable quality by the Fund s investment adviser, at the time of purchase. Securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds. There is no assurance that the Fund will achieve its investment objectives. See The Fund s Investments.*

Ratings. *MTP Shares will have upon issuance a long-term credit rating of Aaa from Moody s, a long-term credit rating of AAA from S&P and a long-term credit rating of AAA from Fitch. See Description of MTP Shares Rating Agencies.*

Fixed Dividend Rate:	*Series 2015 MTP Shares*	*% per annum*

The Fixed Dividend Rate may be adjusted in the event of a change in the credit rating of the MTP Shares, as described herein. See Description of MTP Shares Dividends and Dividend Periods.

Dividends. *Dividends on the MTP Shares will be payable monthly. The initial dividend period for the MTP Shares will commence on the first date of original issuance of MTP Shares and end on February 28, 2010 and each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such MTP Shares). Dividends will be paid on the first business day of the month next following a dividend period and upon redemption of the MTP Shares, except that dividends paid with respect to any dividend period consisting of the month of December in any year will be paid on the last business day of December. Dividends with respect to any monthly dividend period will be declared and paid to holders of record of MTP Shares as their names shall appear on the registration books of the Fund at the close of business on the 15th day of such monthly dividend period (or if such day is not a business day, the next preceding business day).*

Redemption. *The Fund is required to redeem the MTP Shares on February 1, 2015 unless earlier redeemed or repurchased by the Fund. In addition, MTP Shares are subject to optional and mandatory redemption in certain circumstances. As of February 1, 2011, the Series 2015 MTP Shares will be subject to redemption at the option of the Fund, subject to payment of a premium through January 31, 2012, and at par thereafter. The Series 2015 MTP Shares also will be subject to redemption, at the option of the Fund, at par in the event of certain changes in the credit rating of the MTP Shares, as described herein. See Description of MTP Shares Redemption.*

Tax Exemption. *The dividend rate for MTP Shares assumes that each month s distribution is comprised solely of dividends exempt from regular federal and Georgia income taxes, although a portion of those dividends may be subject to the federal alternative minimum tax. From time to time, the Fund may be required to allocate capital gains and/or ordinary income to a given month s distribution on MTP Shares. To the extent that it does so, the Fund will contemporaneously make a separate, supplemental distribution of an amount that, when combined with the total amount of regular tax-exempt income, capital gains and ordinary income in the monthly distribution, is intended to make the two distributions equal on an after-tax basis (determined based upon the maximum marginal federal income tax rates in effect at the time of such payment) to the amount of the monthly distribution if it had been entirely comprised of dividends exempt from regular federal and Georgia income taxes. Alternatively (particularly in cases where the amount of capital gains or ordinary income to be allocated to the MTP Shares is* *small), the Fund will satisfy the requirement to allocate capital gains or ordinary income to MTP Shares by making a supplemental distribution of such gains or income to holders of MTP Shares, over and above the monthly dividend that is fully*

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exempt from regular federal and Georgia income taxes. If, in connection with a redemption of MTP Shares, the Fund allocates capital gains or ordinary income to a distribution on MTP Shares without having made either a contemporaneous supplemental distribution of an additional amount or an alternative supplemental distribution of capital gains and/or ordinary income, it will cause an additional amount to be distributed to holders of MTP Shares whose interests are redeemed, which amount, when combined with the total amount of regular tax-exempt income, capital gains and ordinary income allocated in the distribution, is intended to make the distribution and the additional amount equal on an after-tax basis (determined based upon the maximum marginal federal income tax rates in effect at the time of such payment) to the amount of the distribution if it had been entirely comprised of dividends exempt from regular federal income tax. Investors should consult with their own tax advisors before making an investment in the MTP Shares. See Tax Matters and Description of MTP Shares Dividends and Dividend Periods Distribution with respect to Taxable Allocations.

Priority of Payment. *MTP Shares will be senior securities that represent stock of the Fund and are senior, with priority in all respects, to the Fund s common shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. MTP Shares will have equal priority as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund with other preferred shares currently outstanding. The Fund may issue additional preferred shares on parity with MTP Shares, subject to certain limitations. The Fund may not issue additional classes of shares that are senior to MTP Shares and other outstanding preferred shares of the Fund as to payments of dividends or as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. See Description of MTP Shares. The Fund, as a fundamental policy, may not issue debt securities that rank senior to MTP Shares. In addition, as a fundamental policy, the Fund may not borrow money, except from banks for temporary or emergency purposes, or for repurchase of its shares, subject to certain restrictions. See Investment Restrictions in the Statement of Additional Information.*

Redemption and Paying Agent. *The redemption and paying agent for MTP Shares will be State Street Bank and Trust Company, Canton, Massachusetts.*

Adviser. *Nuveen Asset Management (NAM), the Fund s investment adviser, is responsible for determining the Fund s overall investment strategies and their implementation.*

You should read this prospectus, which contains important information about the Fund, before deciding whether to invest in MTP Shares and retain it for future reference. A Statement of Additional Information, dated January , 2010, and as it may be supplemented, containing additional information about the Fund has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 68 of this prospectus, annual and semi-annual reports to shareholders, when available, and other information about the Fund, and make shareholder inquiries by calling (800) 257-8787 or by writing to the Fund, or from the Fund s website (http://www.nuveen.com). The information contained in, or that can be accessed through, the Fund s website is not part of this prospectus. You also may obtain a copy of the Statement of Additional Information (and other information regarding the Fund) from the Securities and Exchange Commission s website (http://www.sec.gov).

MTP Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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You should rely only on the information contained in or incorporated by reference to this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell MTP Shares and seeking offers to buy MTP Shares, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of MTP Shares.

PROSPECTUS SUMMARY

This is only a summary. You should review the more detailed information contained elsewhere in this prospectus and in the Statement of Additional Information (the SAI), including the form of the Fund s Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares (the Statement), attached as Appendix A to the SAI, prior to making an investment in the Fund, especially the information set forth under the heading Risks. Capitalized terms used but not defined in this prospectus shall have the meanings given to such terms in the Statement.

The Fund

Nuveen Georgia Dividend Advantage Municipal Fund 2 (the Fund) is a diversified, closed-end management investment company. The Fund s common shares, $0.01 par value, are traded on the NYSE Amex under the symbol NKG. See Description of Outstanding Shares Common Shares. The Fund commenced investment operations on September 25, 2002. As of October 31, 2009, the Fund had 4,554,659 common shares outstanding and 1,172 preferred shares outstanding. Preferred shares previously offered by the Fund are referred to as MuniPreferred shares. MTP Shares, as defined below, and any other preferred shares, including MuniPreferred shares, that may then be outstanding are collectively referred to as Preferred Stock.

The Offering

The Fund is offering MuniFund Term Preferred Shares, % Series 2015 (Series 2015 MTP Shares or MTP Shares), at a purchase price of $10 per share. MTP Shares are being offered by the underwriters listed under Underwriters. The Fund has granted the underwriters the right to purchase up to additional MTP Shares to cover over-allotments. Unless otherwise specifically stated, the information throughout this prospectus does not take into account the possible issuance to the underwriters of additional MTP Shares pursuant to their right to purchase additional MTP Shares to cover over-allotments. The Fund intends to use the net proceeds from the sale of MTP Shares to refinance and redeem all of the outstanding MuniPreferred shares, and to maintain the Fund s leveraged capital structure. Certain underwriters and their affiliates, including Morgan Stanley & Co. Incorporated, Banc of America Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., UBS Securities LLC and Wells Fargo Securities, LLC, currently own or are obligated to repurchase in the future outstanding MuniPreferred shares. In addition, customers of certain underwriters and their affiliates currently own outstanding MuniPreferred shares. Upon the successful completion of this offering, these outstanding MuniPreferred shares may be redeemed or purchased by the Fund with the net proceeds of the offering as set forth in Use of Proceeds. Although such a redemption or purchase would be done in accordance with the Investment Company Act of 1940, as amended (the 1940 Act) in a manner that did not favor these underwriters, affiliates or customers, the underwriters or their affiliates may nonetheless be deemed to obtain a material benefit from the offering of the MTP Shares due to such redemption or purchase including, for certain of the underwriters and their affiliates, potentially substantial financial relief and/or relief related to legal and regulatory matters associated with currently illiquid MuniPreferred shares.

The first issuance date of the MTP Shares upon the closing of this offering is referred to herein as the Date of Original Issue. MTP Shares will be senior securities that constitute stock of the Fund and are senior, with priority in all respects, to the Fund s common shares as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. MTP Shares will have equal priority as to payments of dividends and as to distributions of assets upon dissolution, liquidation or winding up of the affairs of the Fund and will be in parity in all respects with MuniPreferred shares outstanding. The Fund may not issue additional classes of shares that are senior to Preferred Stock as to payments of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund.

Who May Want to Invest

You should consider your investment goals, time horizons and risk tolerance before investing in MTP Shares. An investment in MTP Shares is not appropriate for all investors and is not intended to be a complete investment program. MTP Shares are designed as an intermediate-term investment to help achieve the after-tax income and capital preservation goals of investors, and not as a trading vehicle. MTP Shares may be an appropriate investment for you if you are seeking:

· Current income exempt from regular federal and Georgia income taxes;

· Consistent monthly dividends;

· Return of your capital investment after a limited term of 5 years;

· A highly rated security that benefits from significant over-collateralization and related protective provisions;

· Municipal market exposure through the Fund (rather than a single municipal issuer) that diversifies credit risk by investing in many securities and various essential-service sectors;

· Potential for daily liquidity and transparency afforded by New York Stock Exchange listing, once the MTP Shares begin trading on such exchange as anticipated; and

· An intermediate-term fixed income investment with potentially less price volatility than longer-dated fixed income securities.

However, keep in mind that you will need to assume the risks associated with an investment in MTP Shares and the Fund. See Risks.

Fixed Dividend Rate

MTP Shares pay a dividend at a fixed rate of % per annum of the $10 liquidation preference per share (the Fixed Dividend Rate). The Fixed Dividend Rate is subject to adjustment in certain circumstances (but will not in any event be lower than the % Fixed Dividend Rate). See Description of MTP Shares Dividends and Dividend Periods Fixed Dividend Rate, Description of MTP Shares Dividends and Dividend Periods Adjustments to Fixed Dividend Rate Ratings and Description of MTP Shares Dividends and Dividend Periods Adjustments to Fixed Dividend Rate Default Period.

Dividend Payments

The holders of MTP Shares will be entitled to receive cumulative cash dividends and distributions on each such share, when, as and if declared by, or under authority granted by, the Board of Trustees, out of funds legally available for payment. Dividends on the MTP Shares will be payable monthly. The initial dividend period for the MTP Shares will commence on the Date of Original Issue of MTP Shares and end on February 28, 2010 and each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such MTP Shares) (each dividend period a Dividend Period). Dividends will be paid on the first Business Day of the month next following a Dividend Period and upon redemption of the MTP Shares, except that dividends paid with respect to any Dividend Period consisting of the month of December in any year will be paid on the last Business Day of December (each payment date a Dividend Payment Date). Dividends with respect to any monthly Dividend Period will be declared and paid to holders of record of MTP Shares as their names shall appear on the registration books of the Fund at the close of business on the 15th day of such monthly Dividend Period (or if such day is not a Business Day, the next preceding Business Day). Dividends with respect to the first Dividend Period of the Series 2015 MTP Shares will be declared and paid to holders of record of such MTP Shares as their names appear on the registration books of the Fund at the close of business on February 15, 2010. See Description of MTP Shares Dividends and Dividend Periods.

Business Day means any calendar day on which the New York Stock Exchange is open for trading.

On account of the foregoing provisions, only the holders of MTP Shares on the record date for a Dividend Period will be entitled to receive dividends and distributions payable with respect to such Dividend Period, and holders of MTP Shares who sell shares before such a record date and purchasers of MTP Shares who purchase shares after such a record date should take the effect of the foregoing provisions into account in evaluating the price to be received or paid for such MTP Shares.

Term Redemption

The Fund is required to provide for the mandatory redemption of all outstanding Series 2015 MTP Shares on February 1, 2015 at a redemption price equal to $10 per share plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but excluding interest thereon) to (but excluding) the redemption date (the Term Redemption Price). No amendment, alteration or repeal of the obligations of the Fund to redeem all of the Series 2015 MTP Shares on February 1, 2015 can be effected without the prior unanimous vote or consent of the holders of Series 2015 MTP Shares. See Description of MTP Shares Redemption.

Mandatory Redemption for Asset Coverage and Effective Leverage Ratio

Asset Coverage. If the Fund fails to have Asset Coverage (as defined below) of at least 225% as of the close of business on any Business Day on which such Asset Coverage is required to be calculated and such failure is not cured as of the close of business on the date that is 30 calendar days following such Business Day (the Asset Coverage Cure Date), the Fund will redeem within 30 calendar days of the Asset Coverage Cure Date shares of Preferred Stock equal to the lesser of (i) the minimum number of shares of Preferred Stock that will result in the Fund having Asset Coverage of at least 230% and (ii) the maximum number of shares of Preferred Stock that can be redeemed out of monies expected to be legally available; and, at the Fund s sole option, the Fund may redeem a number of shares of Preferred Stock (including shares of Preferred Stock required to be redeemed) that will result in the Fund having Asset Coverage of up to and including 285%. The Preferred Stock to be redeemed may include at the Fund s sole option any number or proportion of MTP Shares. If MTP Shares are to be redeemed in such an event, they will be redeemed at a redemption price equal to their $10 liquidation preference per share plus accumulated but unpaid dividends thereon (whether or not declared, but excluding interest thereon) to (but excluding) the date fixed for such redemption (the Mandatory Redemption Price).

Effective Leverage Ratio. If the Effective Leverage Ratio (as defined below) of the Fund exceeds 50% as of the close of business on any Business Day on which such ratio is required to be calculated and such failure is not cured as of the close of business on the date that is 30 calendar days following such Business Day (the Effective Leverage Ratio Cure Date), the Fund will within 30 calendar days following the Effective Leverage Ratio Cure Date cause the Fund to have an Effective Leverage Ratio that does not exceed 50% by (A) engaging in transactions involving or relating to the floating rate securities not owned by the Fund and/or the inverse floating rate securities owned by the Fund, including the purchase, sale or retirement thereof, (B) redeeming a sufficient number of shares of Preferred Stock, which at the Fund s sole option may include any number or proportion of MTP Shares, in accordance with the terms of such Preferred Stock, or (C) engaging in any combination of the actions contemplated by (A) and (B) above. Any MTP Shares so redeemed will be redeemed at a price per share equal to the Mandatory Redemption Price. See Portfolio Composition Municipal Securities Inverse Floating Rate Securities and Floating Rate Securities.

Optional Redemption

As of February 1, 2011, Series 2015 MTP Shares will be subject to optional redemption (in whole or from time to time, in part) at the sole option of the Fund out of monies legally available therefor, at the redemption price per share equal to the sum of the $10 liquidation preference per share plus (i) an initial premium of 1.00% of the liquidation preference (with such premium declining by 0.5% every six months so that by February 1, 2012 there will cease to be a premium) and (ii) an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but excluding interest thereon) to (but excluding) the date fixed for such redemption. See Description of MTP Shares Redemption Optional Redemption. The period from the Date of Original Issue to the date that the MTP Shares are subject to such optional redemption is referred to herein as the Non-Call Period. In addition to the optional redemption described above, the MTP Shares will also be subject to optional redemption on any Business Day during a Rating Downgrade Period with respect to such MTP Shares at the redemption price per share equal to the sum of the $10 liquidation preference per share (without any additional premium) plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) to (but excluding) the date fixed for redemption. A Rating Downgrade Period means any period during which the MTP Shares are rated A+ or lower by S&P, A1 or lower by Moody s and A+ or lower by Fitch. See Description of MTP Shares Redemption.

Federal and Georgia State Income Taxes

Because under normal circumstances the Fund will invest substantially all of its assets in municipal securities that pay interest exempt from regular federal and Georgia income taxes, the dividends designated by the Fund as exempt-interest dividends received by a holder of MTP Shares will be similarly exempt. The dividends received by a holder of MTP Shares may be subject to other state and local taxes. All or a portion of the income from the Fund s portfolio securities, and in turn the exempt-interest dividends paid to holders of MTP Shares, may be subject to the federal alternative minimum tax, so MTP Shares may not be a suitable investment if you are subject to this tax. Taxable income or gain earned by the Fund will be allocated proportionately to holders of Preferred Stock and common shares, based on the percentage of total Preferred Stock dividends relative to common share dividends.

The Fund has elected to be treated, and intends to continue to qualify each year, as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code), and generally does not expect to be subject to federal income tax.

Ratings

It is a condition of the underwriters obligation to purchase MTP Shares that MTP Shares will be rated Aaa , AAA and AAA by Moody s, S&P and Fitch, respectively, as of the Date of Original

Issue. There can be no assurance that such ratings will be maintained at the level originally assigned through the term of the MTP Shares. The ratings are based on current information furnished to Moody s, S&P and Fitch by the Fund and its investment adviser. The ratings may be changed, suspended or withdrawn in the rating agencies discretion. The Fund, however, will use commercially reasonable efforts to cause at least one rating agency (Moody s, S&P or Fitch, each a Rating Agency) to publish a credit rating with respect to MTP Shares for so long as MTP Shares are outstanding. The Fixed Dividend Rate will be subject to an increase in the event that the ratings of the MTP Shares by Moody s, S&P and Fitch are each downgraded below Aaa , AAA and AAA , respectively or if no Rating Agency is then rating the shares. See Description of MTP Shares Dividends and Dividend Periods Adjustment to Fixed Dividend Rate Ratings. The Board of Trustees of the Fund has the right to terminate the designation of any of S&P, Moody s and Fitch as a Rating Agency for purposes of the MTP Shares, provided that at least one Rating Agency continues to maintain a rating with respect to the MTP Shares. In such event, any rating of such terminated Rating Agency, to the extent it would have been taken into account in any of the provisions of the MTP Shares which are described in this prospectus or included in the Statement, will be disregarded, and only the ratings of the then-designated Rating Agencies will be taken into account.

Asset Coverage

If the Fund fails to maintain at least 225% asset coverage as of the close of business on each Business Day, the MTP Shares may become subject to mandatory redemption as provided above. Asset coverage for Preferred Stock is calculated pursuant to Section 18(h) of the 1940 Act, as in effect on the date of the Statement, and is determined on the basis of values calculated as of a time within 48 hours (only including Business Days) preceding each daily determination (Asset Coverage). See Description of MTP Shares Asset Coverage.

The Fund estimates that on the Date of Original Issue, the Asset Coverage, based on the composition of its portfolio as of August 31, 2009, and after giving effect to (i) the issuance of MTP Shares offered hereby (assuming the offering of $30,015,000 aggregate liquidation preference of MTP Shares), and (ii) $705,225 of underwriting discounts and commissions and estimated offering expenses for such MTP Shares, assuming the redemption of $29,300,000 liquidation preference of MuniPreferred shares, will be 306%. The Fund s net investment income coverage calculated by dividing the Fund s net investment income by the distributions from net investment income to preferred shareholders has averaged approximately 943% from the Fund s inception on September 25, 2002 through August 31, 2009. Net investment income coverage has varied significantly year over year since the Fund s inception, and there is no assurance that historical coverage levels can be maintained.

Effective Leverage Ratio

If the Fund s Effective Leverage Ratio exceeds 50% as of the close of business on any Business Day, the MTP Shares may become subject to mandatory redemption as provided above.

The Effective Leverage Ratio on any date means the quotient of the sum of (A) the aggregate liquidation preference of the Fund s senior securities (as that term is defined in the 1940 Act) that are stock, excluding, without duplication, (1) any such senior securities for which the Fund has issued a notice of redemption and either has delivered Deposit Securities to the paying agent for such Preferred Stock or otherwise has adequate Deposit Securities on hand for the purpose of such redemption and (2) the Fund s outstanding Preferred Stock that is to be redeemed with net proceeds from the sale of the MTP Shares, for which the Fund has delivered Deposit Securities to the paying agent for such Preferred Stock or otherwise has adequate Deposit Securities on hand for the purpose of such redemption; (B) the aggregate principal amount of the Fund s senior securities representing indebtedness (as that term is defined in the 1940 Act); and (C) the aggregate principal amount of floating rate securities not owned by the Fund that correspond to the associated inverse floating rate securities owned by the Fund; divided by the sum of (A) the market value (determined in accordance with the Fund s valuation procedures) of the Fund s total assets (including amounts attributable to senior securities), less the amount of the Fund s accrued liabilities (other than liabilities for the aggregate principal amount of senior securities representing indebtedness, including floating rate securities); and (B) the aggregate principal amount of floating rate securities not owned by the Fund that correspond to the associated inverse floating rate securities owned by the Fund.

Voting Rights

Except as otherwise provided in the Fund s Declaration of Trust or as otherwise required by law, (i) each holder of MTP Shares shall be entitled to one vote for each MTP Share held by such holder on each matter submitted to a vote of shareholders of the Fund and (ii) the holders of outstanding Preferred Stock and of common shares shall vote together as a single class; provided that holders of Preferred Stock, voting separately as a class, shall elect at least two of the Fund s trustees and will elect a majority of the Fund s trustees to the extent the Fund fails to pay dividends on any Preferred Stock in an amount equal to two full years of dividends on that stock. See Description of MTP Shares Voting Rights.

Liquidation Preference

The liquidation preference of MTP Shares will be $10 per share (the Liquidation Preference). In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the holders of MTP Shares will be entitled to receive a liquidation distribution per share equal to the Liquidation Preference plus an amount equal to all unpaid dividends and distributions accumulated to (but excluding) the date fixed for distribution or payment (whether or not earned or declared by the Fund, but excluding interest thereon). See Description of MTP Shares Liquidation Rights.

Investment Objectives and Policies

The Fund s investment objectives are to provide current income exempt from regular federal and Georgia income tax and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that NAM believes are underrated or undervalued or that represent municipal market sectors that are undervalued. Under normal market conditions, the Fund invests its net assets in a portfolio of municipal securities that are exempt from regular federal and Georgia income taxes. Under normal market conditions, the Fund expects to be fully invested (at least 95% of its assets) in such tax-exempt municipal securities. The Fund invests at least 80% of its net assets in municipal securities that at the time of investment are investment grade quality. Investment grade quality securities are securities rated within the four highest grades (Baa or BBB or better by Moody s, S&P or Fitch, or securities that are unrated but judged to be of comparable quality by NAM, at the time of purchase. The Fund may invest up to 20% of its net assets in municipal securities that, at the time of investment, are rated Ba/BB or B by Moody s, S&P or Fitch or that are unrated but judged to be of comparable quality by NAM. Municipal securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds. See Risks Credit and Below Investment Grade Risk. During temporary defensive periods and in order to keep the Fund s cash fully invested, the Fund may invest up to 100% of its net assets in short-term investments including high quality, short-term securities that may be either tax-exempt or taxable. A portion of the dividends from MTP Shares may be subject to the federal alternative minimum tax. There is no assurance that the Fund will achieve its investment objectives. See The Fund s Investments.

Investment Adviser

NAM is the Fund s investment adviser, responsible for determining the Fund s overall investment strategy and its implementation. See Management of the Fund Investment Adviser and Portfolio Managers.

Nuveen Investments, LLC, a registered broker-dealer affiliate of NAM that is involved in the offering of the Fund s MTP Shares, has received notice of certain charges that may be brought against it by the Financial Industry Regulatory Authority (FINRA) in connection with the marketing of MuniPreferred shares. See Underwriters.

Listing

Application has been made to list the MTP Shares on the New York Stock Exchange so that trading on such exchange will begin within 30 days after the date of this prospectus, subject to notice of issuance. Prior to the expected commencement of trading on the New York

Stock Exchange, the underwriters do not intend to make a market in the MTP Shares. Consequently, it is anticipated that, prior to the commencement of trading on the New York Stock Exchange, an investment in the MTP Shares will be illiquid and holders of MTP Shares may not be able to sell such shares as it is unlikely that a secondary market for the MTP Shares will develop. If a secondary market does develop prior to the commencement of trading on the New York Stock Exchange, holders of MTP Shares may be able to sell such shares only at substantial discounts from their liquidation preference. The trading or ticker symbol is NKG Pr C.

Redemption and Paying Agent

The Fund has entered into an amendment to its existing Transfer Agency and Service Agreement with State Street Bank and Trust Company, Canton, Massachusetts (the Redemption and Paying Agent) for the purpose of causing the Fund s transfer agent and registrar to serve as transfer agent and registrar, dividend disbursing agent, and redemption and paying agent with respect to MTP Shares.

Risks

Risk is inherent in all investing. Therefore, before investing in MTP Shares you should consider certain risks carefully. The primary risks of investing in the Fund, and in MTP Shares in particular, are:

Risks of Investing in MTP Shares

· *Interest Rate Risk MTP Shares.* MTP Shares pay dividends at a fixed dividend rate. Prices of fixed income investments vary inversely with changes in market yields. The market yields on intermediate term securities comparable to MTP Shares may increase, which would likely result in a decline in the secondary market price of MTP Shares prior to its term redemption. See also Secondary Market and Delayed Listing Risk.

· *Secondary Market and Delayed Listing Risk.* Because the Fund has no prior trading history for exchange-listed preferred shares, it is difficult to predict the trading patterns of MTP Shares, including the effective costs of trading MTP Shares. Moreover, MTP Shares will not be listed on a stock exchange until up to 30 days after the date of this prospectus and during this time period an investment in MTP Shares will be illiquid. Even after the MTP Shares are listed on the New York Stock Exchange as anticipated, there is a risk that the market for MTP Shares may be thinly traded and relatively illiquid compared to the market for other types of securities, with the spread between the bid and asked prices considerably greater than the spreads of other securities with comparable terms, credit ratings and tax-advantaged income features.

· *Ratings Risk.* The Fund expects that, at issuance, the MTP Shares will be rated Aaa, AAA and AAA by Moody s, S&P and Fitch, respectively, and that such ratings will be a requirement of issuance of such shares by the underwriters pursuant to an underwriting agreement. There can be no assurance that such ratings will be maintained at the level originally assigned through the term of MTP Shares. Ratings do not eliminate or mitigate the risks of investing in MTP Shares. A rating issued by a Rating Agency is only the opinion of the entity issuing the rating at that time, and is not a guarantee as to quality, or an assurance of the future performance, of the rated security (in this case, MTP Shares). In addition, the manner in which the Rating Agency obtains and processes information about a particular security may affect the Rating Agency s ability to timely react to changes in an issuer s circumstances (in this case, the Fund) that could influence a particular rating. A Rating Agency could downgrade MTP Shares, which may make MTP Shares less liquid in the secondary market and reduce market prices, though with higher resulting dividend rates than the Fixed Dividend Rate. If all of the Rating Agencies designated by the Board of Trustees at the time in question downgrade MTP Shares, the Fund is required to pay a higher dividend rate on such shares.

· *Early Redemption Risk.* The Fund may voluntarily redeem MTP Shares or may be forced to redeem MTP Shares to meet regulatory requirements and the asset coverage requirements of the MTP Shares. Such redemptions may be at a time that is unfavorable to holders of MTP Shares. The Fund expects to voluntarily redeem MTP Shares before the Term Redemption Date to the extent that market conditions allow the Fund to issue other preferred shares or debt securities at a rate that is lower than the Fixed Dividend Rate on MTP Shares. For further information, see Description of MTP Shares Redemption and Description of MTP Shares Asset Coverage.

· *Tax Risk.* To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, among other things, the Fund must derive in each taxable year at least 90% of its gross income from certain prescribed sources. If for any taxable year the Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) would be subject to tax at regular corporate rates without any deduction for distributions to stockholders, and such distributions would be taxable as ordinary dividends to the extent of the Fund s current and accumulated earnings and profits. The value of MTP Shares may be adversely affected by changes in tax rates and policies. Because dividends from MTP Shares are generally not expected to be subject to regular federal or Georgia income taxation, the attractiveness of such shares in relation to other investment alternatives is affected by changes in federal or Georgia income tax rates or changes in the tax-exempt treatment of dividends on MTP Shares. A portion of the dividends from MTP Shares may be subject to the federal alternative minimum tax. See Tax Matters. See also the form of opinion of counsel included as Appendix C to the SAI.

· *Credit Crisis and Liquidity Risk.* General market uncertainty and extraordinary conditions in the credit markets, including the municipal market, may impact the liquidity of the Fund s investment portfolio, which in turn, during extraordinary circumstances, could impact the Fund s distributions and/or the liquidity of the Term Redemption Liquidity Account (as described under Description of MTP Shares). Further, there may be market imbalances of sellers and buyers of MTP Shares during periods of extreme illiquidity and volatility. Such market conditions may lead to periods of thin trading in any secondary market for MTP Shares and may make valuation of MTP Shares uncertain. As a result, the spread between bid and asked prices is likely to increase significantly such that an MTP Shares investor may have greater difficulty selling his or her MTP Shares. Less liquid and more volatile trading environments could result in sudden and significant valuation increases or declines in MTP Shares.

· *Inflation Risk*. Inflation is the reduction in the purchasing power of money resulting from the increase in the price of goods and services. Inflation risk is the risk that the inflation-adjusted (or real) value of an investment in MTP Shares or the income from that investment will be worth less in the future. As inflation occurs, the real value of MTP Shares and dividends on MTP Shares declines.

· *Reinvestment Risk MTP Shares.* Given the five-year term and potential for early redemption of MTP Shares, holders of MTP Shares may face an increased reinvestment risk, which is the risk that the return on an investment purchased with proceeds from the sale or redemption of MTP Shares may be lower than the return previously obtained from an investment in MTP Shares.

General Risks of Investing in the Fund

· *Credit and Below Investment Grade Risk.* Credit risk is the risk that one or more municipal securities in the Fund s portfolio will decline in price, or the issuer thereof will fail to pay interest or principal when due, because the issuer experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. The Fund may invest up to 20% (measured at the time of investment) of its net assets in municipal securities that are rated below investment grade or that are unrated but judged to be of comparable quality by NAM. If a municipal security satisfies the rating requirements described above at the time of investment and is subsequently downgraded below that rating, the Fund will not be required to dispose of the security. If a downgrade occurs, NAM will consider what action, including the sale of the security, is in the best interests of the Fund and its shareholders. Municipal securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to the issuer s capacity to pay interest and repay principal when due, and are more susceptible to default or decline in market value due to adverse economic and business developments than investment grade municipal securities. Also, to the extent that the rating assigned to a municipal security in the Fund s portfolio is downgraded by any nationally recognized statistical rating organization (NRSRO), the market price and liquidity of such security may be adversely affected. The market values for municipal securities of below investment grade quality tend to be volatile, and these securities are less liquid than investment grade municipal securities. For these reasons, an investment in the Fund, compared with a portfolio consisting solely of investment grade securities, may experience the following:

increased price sensitivity resulting from a deteriorating economic environment and changing interest rates;

greater risk of loss due to default or declining credit quality;

adverse issuer specific events that are more likely to render the issuer unable to make interest and/or principal payments; and

the possibility that a negative perception of the below investment grade market develops, resulting in the price and liquidity of below investment grade securities becoming depressed, and this negative perception could last for a significant period of time.

· *Municipal Securities Market Risk.* Investing in the municipal securities market involves certain risks. The municipal securities market is one in which dealer firms make markets in bonds on a principal basis using their proprietary capital, and during the recent market turmoil these firms capital became severely constrained. As a result, some firms were unwilling to commit their capital to purchase and to serve as a dealer for municipal securities. The amount of public information available about the municipal securities in the Fund s portfolio is generally less than that for corporate equities or bonds, and the Fund s investment performance may therefore be more dependent on NAM s analytical abilities than if the Fund were to invest in stocks or taxable bonds. As noted above, the secondary market for municipal securities also tends to be less well-developed or liquid than many other securities markets, which may adversely affect the Fund s ability to sell its municipal securities at attractive prices or at prices approximating those at which the Fund currently values them.

· *Concentration in Georgia Issuers.* The Fund s policy of investing primarily in municipal obligations of issuers located in

Georgia makes the Fund more susceptible to adverse economic, political or regulatory occurrences affecting such issuers.

- *Risks Specific to Georgia.* The Fund is more exposed to risks affecting issuers of Georgia municipal securities than a municipal bond fund that invests more widely. Economic indicators for Georgia show that its economy has experienced a severe recession. Georgia s economic growth in fiscal year 2008 began to slow significantly as the U.S. economy entered into a recession in December of 2007 due to various factors including, but not limited to, the housing and credit market problems. Georgia s growth slowdown was reflected in decreased individual income tax revenues, sales and use tax revenues and corporate income tax revenues, in growing unemployment and in falling personal income, among other factors. Currently, an expected decrease in fiscal year 2010 revenues may result in further decreases in expenditures from the fiscal year 2010 budget. See Risks-Concentration Risk and Appendix A of this prospectus. (Factors Affecting Municipal Securities in Georgia).

- *Interest Rate Risk The Fund.* Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the municipal securities in the Fund s portfolio will decline in value because of increases in market interest rates. In typical market interest rate environments, the prices of longer-term municipal securities generally fluctuate more than prices of shorter-term municipal securities as interest rates change.

- *Inverse Floating Rate Securities Risk.* The Fund may invest up to 15% of its net assets in inverse floating rate securities. Typically, inverse floating rat interests in a special purpose trust (sometimes called a tender option bond trust) formed by a third party sponsor for the purpose of holding municipal Composition Municipal Securities Inverse Floating Rate Securities. In general, income on inverse floating rate securities will decrease when interest interest rates decrease. Investments in inverse floating rate securities may subject the Fund to the risks of reduced or eliminated interest payments and lo inverse floating rate securities may increase or decrease in value at a greater rate than the underlying interest rate, which effectively leverages the Fund market value of such securities generally will be mor as defined in Item 407(d)(5)(ii) of Regulation S-K.

The Audit Committee held six meetings during 2017. Among its responsibilities, the Audit Committee appoints and establish independent registered public accounting firm, reviews and approves the procedures we use to prepare our periodic reports, accounting policies, reviews the independence of the independent registered public accounting firm, monitors the effectivene oversees our financial and accounting organization and our system of internal accounting controls. The Audit Committee ope charter setting forth the functions and responsibilities of the committee, which is reviewed annually and amended as necessa and the Board of Directors to ensure compliance with all applicable laws and regulations, including the Sarbanes-Oxley Act governance standards adopted by Nasdaq. A copy of the Audit Committee charter can be viewed on our website at www.sea

Information about the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Nancy A. Simonian (chair), Felix Baker and Marc E. Lip Directors has determined that all of the members of the Nominating Committee are independent as that term is defined in listing standards.

The Nominating and Corporate Governance Committee met twice during 2017. The Nominating and Corporate Governance for identifying individuals qualified to serve as members of the Board of Directors, recommending nominees to the Board fo Seattle Genetics and as members of the committees of the Board of Directors, as well as developing and making recommend Corporate Governance Guidelines and providing oversight with respect to corporate governance and ethical conduct. The N Governance Committee operates under a written charter setting forth the functions and responsibilities of the committee. A c Corporate Governance Committee charter can be viewed on our website at www.seattlegenetics.com.

The Nominating and Corporate Governance Committee assesses many characteristics and diversity considerations when revi and these characteristics are set forth in our Corporate Governance Guidelines. Among the characteristics to be considered ar background, business experience, judgment and integrity, familiarity with the biotechnology industry, applicable expertise ar candidate s experience and skills with those of other Board members. In determining whether to recommend a director for re and Corporate Governance Committee also considers the director s past attendance at meetings and participation in and cont the Board and its committees, as well as the nature and time involved in a director s service on other boards. The Nominatin Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrou Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular cri applicable to all prospective nominees. We believe that the backgrounds and qualifications of our directors, considered as a g significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Nomi against on the basis of age, race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

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

In accordance with our bylaws and applicable law, nominations for directors may be made by any stockholder of record entit of directors at stockholder meetings held for such purpose. The requirements a stockholder must follow for nominating perso are set forth in our bylaws and under the heading Proposals for 2019 Annual Meeting. The Nominating and Corporate Go consider director candidates recommended by stockholders. In order to recommend director candidates to the Nominating an Committee, stockholders should follow the procedures in our bylaws for director nominations. If a stockholder complies with recommending persons for election as directors, the Nominating and Corporate Governance Committee will conduct the appr inquiries into the backgrounds, qualifications and skills of the recommended candidates and, in the exercise of the Nominatin Governance Committee s independent judgment in accordance with the policies and procedures adopted in the Nominating Committee s charter, will determine whether to recommend the candidate(s) recommended by the stockholders to the Board candidates for election as directors at the next stockholder meeting held to elect directors. The Nominating and Corporate Go not intend to alter the manner in which it evaluates director candidates based on whether or not the candidate was recommen

Annual Meeting Attendance

Although we do not have a formal policy regarding attendance by members of the Board of Directors at our Annual Meeting are encouraged to attend. All of our directors then serving attended the 2017 Annual Meeting of Stockholders.

CERTAIN OTHER CORPORATE GOVERNANCE MATTERS

Communications with the Board of Directors

Our Board of Directors currently does not have a formal process for stockholders to send communications to the Board of Di efforts are made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and tha provided to stockholders on a timely basis. The Board does not recommend that formal communication procedures be adopte believes that informal communications are sufficient to communicate questions, comments and observations that could be us stockholders wishing to formally communicate with the Board of Directors may send communications directly to Seattle Ge Investor Relations, 21823 30th Drive SE, Bothell, Washington 98021, and the communication will be forwarded, as appropri regards a stockholder proposal to be considered at an annual meeting of stockholders, the methods and timing for submitting covered under the heading Proposals for 2019 Annual Meeting.

Corporate Governance Guidelines

As a part of the Board s commitment to building long-term stockholder value with an emphasis on corporate governance, th of Corporate Governance Guidelines, which guides the operation of the Board and its committees. Our Corporate Governanc other topics, Board composition, structure and functioning, Board membership criteria, director independence, Board self-ev of the Board, Board access to management and independent advisers, stock ownership guidelines for members of the Board a and succession and leadership development. A copy of the Corporate Governance Guidelines can be viewed on our website a

Code of Ethics

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

Whistleblower Policy

Seattle Genetics has adopted a Whistleblower Policy applicable to its employees that provides for protection from retaliation Genetics due to reporting issues relating to concerns involving questionable accounting or auditing matters and compliance v regulations.

DIRECTOR COMPENSATION

Cash Compensation. Our non-employee directors received an annual retainer of $50,000 in 2017 for their service on the Boa out-of-pocket expenses incurred in connection with attendance at Board and Board committee meetings, and our lead indepe additional retainer of $25,000 in 2017. Our non-employee directors also received the following additional annual retainers fo the Board in 2017:

Committee	Chair
Audit Committee	$ 20,000
Compensation Committee	$ 15,000
Nominating and Corporate Governance Committee	$ 10,000

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

Equity Compensation. Our Board has established a policy of providing each person who becomes a nonemployee director of nonstatutory stock option to purchase shares of our common stock and an initial restricted stock unit (RSU) grant. Such gr Plan. These initial awards are granted on the date on which a recipient first becomes a nonemployee director of Seattle Genet directors were eligible for an initial nonstatutory stock option to purchase 14,250 shares of common stock and an initial RSU 5,750 shares of common stock. This initial option grant vests as to 25% of the underlying shares on the first anniversary of th thereafter on a monthly basis until such grant is fully vested on the fourth anniversary of the grant date, and the initial RSU a third anniversary of the grant date, subject in both cases to continued service. In connection with her appointment to our Boa 2018, Dr. Seth was granted a nonstatutory stock option to purchase 14,250 shares of common stock and an RSU grant coveri stock.

In addition, effective on the date of each annual meeting of stockholders, each nonemployee director is granted an annual non purchase shares of common stock and an annual RSU grant under the 2007 Plan if, on such date, he or she had served on the months. In 2017, each of our non-employee directors received an annual option to purchase 9,260 shares of common stock an covering 3,700 shares of common stock, effective on the date of our Annual Meeting. With the exception of Dr. Seth, each o is expected to receive an annual option to purchase 9,260 shares of common stock and an annual RSU grant covering 3,700 s under the 2007 Plan effective on the date of the 2018 Annual Meeting.

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The annual option award and annual RSU awards made to each of our directors in 2017 will vest on May 18, 2018. In additio directors would receive full acceleration of vesting of any outstanding options or RSU awards under the 2007 Plan and the D immediately prior to a change in control of Seattle Genetics. The exercise price of options granted to our directors is equal to common stock on the Nasdaq Global Select Market on the effective date of grant. Options granted to non-employee directors the Directors Plan have ten year terms and remain exercisable for up to three months following the grantee s termination o termination is a result of death or disability, in which case the options remain exercisable for up to a twelve-month period (or determined by the Board). Although we anticipate that our Board of Directors will continue our equity compensation arrange directors on the same terms as described above, it is within the Board s discretion to review our equity compensation arrang directors, and the Board may determine to implement new or revised equity compensation arrangements for our non-employe those described above.

In order to align the interests of the directors with Seattle Genetics stockholders, our Corporate Governance Guidelines stat directors should, not later than December 31st of the year during which the applicable director achieves his or her fifth annive director, own, directly or indirectly, a number of shares of Seattle Genetics common stock with a value not less than three tim paid by Seattle Genetics to such director for service on the Board, and thereafter such director should continue to own a num value until he or she is no longer a director. The Nominating and Corporate Governance Committee used December 31, 2017 compliance with these director ownership guidelines. All of our non-employee directors serving as of such date were in com guidelines.

Processes and Procedures for Determining Director Compensation. Effective as of February 9, 2018, the responsibility for r compensation and recommending changes to the Board is vested in the Compensation Committee per its charter. During 201 in the Nominating and Corporate Governance Committee. It has been the practice of the Nominating and Corporate Governa input from outside compensation consultants as it deems appropriate. For example, in October 2016, Compensia, Inc., our C compensation consultant, conducted a survey of director compensation to compare our director compensation to director com companies. As a result of that survey, we adjusted the initial equity compensation of our nonemployee directors to approxim compensation received by members of the boards of directors of our peer companies. We review our peer group companies p group utilized for purposes of the October 2016 Compensia survey was as follows:

Acorda Therapeutics, Inc.	BioMarin Pharmaceutical Inc.	Kite Pharma, Inc.
Agios Pharmaceuticals, Inc.	Clovis Oncology, Inc.	Medivation, Inc.
Alexion Pharmaceuticals, Inc.	Genomic Health, Inc.	Puma Biotechnol
Alkermes plc	Incyte Corporation	Ultragenyx Pharm
Alnylam Pharmaceuticals, Inc.	Intercept Pharmaceuticals, Inc.	United Therapeut

ARIAD Pharmaceuticals, Inc.	Juno Therapeutics, Inc.	Vertex Pharmaceu

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Director Compensation Table. The following table sets forth all of the compensation awarded to or earned by each person wl
director during 2017. Dr. Siegall, our only employee director, receives no compensation for Board service but is reimbursed
customary travel expenses. Dr. Siegall s compensation is described under Compensation of Executive Officers below.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option ($)
Srinivas Akkaraju, M.D., Ph.D. (3)	50,000	246,420	
Felix Baker, Ph.D. (4)	95,000	246,420	
David W. Gryska (5)	70,000	246,420	
Marc E. Lippman, M.D. (6)	55,000	246,420	
John A. Orwin (7)	68,000	246,420	
Nancy A. Simonian, M.D. (8)	60,000	246,420	
Daniel G. Welch (9)	68,000	246,420	

(1) The amounts in this column represent the aggregate full grant date fair value of RSU awards granted during 2017 in ac
Topic 718 with no estimate for future forfeitures, which value is based on the closing price of our common stock on th

(2) The amounts in this column represent the aggregate full grant date fair value of options granted during 2017 calculated
ASC Topic 718 with no estimate for future forfeitures. For information regarding the assumptions used in calculating t
of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended

(3) The fees earned by Dr. Akkaraju consist of a $50,000 retainer for Board service. The stock awards amount represents t
RSU awards granted on May 19, 2017. The option awards amount represents the grant date fair value of an option gran

(4) Dr. Baker was our lead independent director, chairman of our Compensation Committee and a member of our Nomina
Governance Committee in 2017. The fees earned include a $50,000 retainer for Board service, a $25,000 retainer for se
independent director, a $15,000 retainer for service as the chairman of our Compensation Committee, and a $5,000 ret
member of our Nominating and Corporate Governance Committee. The stock awards amount represents the grant date
granted on May 19, 2017. The option awards amount represents the grant date fair value of an option granted on May 1

(5) Mr. Gryska was chairman of our Audit Committee in 2017. The fees earned include a $50,000 retainer for Board servi
for service as chairman of our Audit Committee during 2017. The stock awards amount represents the grant date fair v
on May 19, 2017. The option awards amount represents the grant date fair value of an option granted on May 19, 2017

(6) Dr. Lippman was a member of our Nominating and Corporate Governance Committee in 2017. The fees earned by Dr.
$50,000 retainer for Board service and a $5,000 retainer for service as a member of our Nominating and Corporate Go
stock awards amount represents the grant date fair value of RSU awards granted on May 19, 2017. The option awards
date fair value of an option granted on May 19, 2017.

(7) Mr. Orwin was a member of our Audit Committee and our Compensation Committee in 2017. The fees earned include
Board service, a $10,000 retainer for service on the Audit Committee and an $8,000 retainer for service on the Compe
stock awards amount represents the grant date fair value of RSU awards granted on May 19, 2017. The option awards
date fair value of an option granted on May 19, 2017.

(8) Dr. Simonian was chair of our Nominating and Corporate Governance Committee in 2017. The fees earned include a $
service and a $10,000 retainer for service as a member and chair of our Nominating and Corporate Governance Comm
amount represents the grant date fair value of RSU awards granted on May 19, 2017. The option awards amount repres
value of an option granted on May 19, 2017.

(9) Mr. Welch was a member of our Audit Committee and our Compensation Committee in 2017. The fees earned include Board service, a $10,000 retainer for service as a member of our Audit Committee and an $8,000 retainer for service as Compensation Committee. The stock awards amount represents the grant date fair value of RSU awards granted on Ma awards amount represents the grant date fair value of an option granted on May 19, 2017.

(10) As of December 31, 2017, our nonemployee directors listed in the table above held outstanding stock awards and optio

Name	Number of Shares Underlying Outstanding Restricted Stock Units	Number Subj Outstandi
Srinivas Akkaraju, M.D., Ph.D.	3,700	
Felix Baker, Ph.D.	3,700	
David W. Gryska	3,700	
Marc E. Lippman, M.D.	3,700	
John A. Orwin	3,700	
Nancy A. Simonian, M.D.	3,700	
Daniel G. Welch	3,700	

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMEN

The following table sets forth information as of March 12, 2018 (except as noted) regarding the beneficial ownership of our c director (including each nominee for director), by each person or group of affiliated persons known to us to beneficially own outstanding common stock, by each named executive officer and by all executive officers and directors as a group. Unless ot address of the individuals and entities below is c/o Seattle Genetics, Inc., 21823 30th Drive SE, Bothell, WA 98021.

Name and Address	Total Common Stock Equivalents (1)
Felix J. Baker, Ph.D. (3)	
Baker Bros. Advisors LP and Affiliates (3) 667 Madison Avenue, 21st Floor New York, NY 10065	49,911,765
Baillie Gifford & Co. (4) Calton Square 1 Greenside Row Edinburgh EH1 3AN Scotland United Kingdom	14,964,511
PRIMECAP Management Company (5) 177 E. Colorado Blvd., 11th Floor Pasadena, CA 91105	12,714,100
Clay B. Siegall, Ph.D. (6)	2,342,428
Todd E. Simpson (7)	379,566
Jonathan Drachman, M.D. (8)	553,824
Vaughn B. Himes, Ph.D. (9)	420,855
Jean I. Liu (10)	147,653
Eric L. Dobmeier (11)	36,860
Srinivas Akkaraju, M.D., Ph.D. (12)	104,525
David W. Gryska (13)	129,870
Marc E. Lippman, M.D. (14)	225,570
John A Orwin (15)	49,120
Alpna Seth, Ph.D.	
Nancy A. Simonian, M.D. (16)	79,120
Daniel G. Welch (17)	151,620

All directors and executive officers as a group (18)	54,532,776

* Less than one percent

(1) Beneficial ownership is determined in accordance with SEC rules. In computing the beneficial ownership we have incl named person has sole or shared power over voting or investment decisions. The number of shares of common stock be common stock which the named person has the right to acquire, through option exercise or otherwise, within 60 days a

(2) Percentage of common stock equivalents is based on a total of 158,080,155 shares of common stock outstanding as of named person, the percentage ownership includes common stock that the person has the right to acquire within 60 days described in Footnote 1. However, such shares are not deemed outstanding with respect to the calculation of ownershi

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for any other person. In some cases, beneficial ownership calculations for five percent or greater stockholders are base
Schedules 13D or 13G, which five percent or greater stockholders are required to file with the SEC, and which general
interests as of December 31, 2017 unless otherwise provided.

(3) The indicated ownership is based on (i) a Schedule 13D/A filed with the SEC by the reporting persons on February 5, with the SEC by the reporting persons on February 5, 2018. According to the Schedule 13D/A and the Form 4, the sha beneficially owned by the reporting persons includes 44,297,235 shares held by Baker Brothers Life Sciences, L.P. (I shares held by 667, L.P. (667), 18,243 shares held by FBB2, LLC (FBB2), 12,678 shares held by FBB3, LLC (Felix J. Baker, 107,504 shares held by Julian C. Baker and 40,000 shares issued to Felix J. Baker as a result of the exe number also includes 108,520 shares of common stock issuable upon exercise of options held by Felix J. Baker that ar of March 12, 2018 held by Felix J. Baker that vest within 60 days of March 12, 2018. According to the Schedule 13D/ Bros. Advisors LP (the Adviser) serves as the Investment Adviser to Life Sciences and 667 (collectively the Bake (GP) LLC (the Adviser GP) is the Adviser s sole general partner. Julian C. Baker and Felix J. Baker are principals has complete and unlimited discretion and authority with respect to the investment and voting power of the securities h and may be deemed to have the power to vote or direct the vote of and the power to dispose or direct the disposition of according to the Schedule 13D/A, the Adviser has voting and investment power over the options, RSU awards and con Baker, and the Adviser GP, as well as Felix J. Baker and Julian C. Baker as principals of the Adviser GP, may be deem vote or direct the vote of and the power to dispose or direct the disposition of, the options, RSU awards and common s In addition, according to the Schedule 13D/A, Julian C. Baker and Felix J. Baker are also the sole managers of FBB2 a be deemed to be beneficial owners of shares of common stock held by FBB2 and FBB3 and may be deemed to have th vote and dispose or direct the disposition of those shares.

(4) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on January 2 Schedule 13G/A, Baillie Gifford & Co. has sole voting power over 10,223,147 shares of common stock and sole dispo 14,964,511 shares of common stock. According to the Schedule 13G/A, the shares are held by Baillie Gifford & Co. a investment adviser subsidiaries, which may include Baillie Gifford Overseas Limited, on behalf of investment advisor investment companies registered under the Investment Company Act, employee benefit plans, pension funds or other i Schedule 13G/A filed by the reporting person provides information as of December 31, 2017 and, consequently, the be reporting person may have changed between December 31, 2017 and March 12, 2018.

(5) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting person on February Schedule 13G/A, PRIMECAP Management Company has sole voting power over 9,621,205 shares of common stock a over 12,714,100 shares of common stock. The Schedule 13G/A filed by the reporting person provides information as o consequently, the beneficial ownership of the reporting person may have changed between December 31, 2017 and Ma

(6) Includes 1,655,282 shares of common stock issuable upon exercise of options that are exercisable within 60 days of M

(7) Includes 200,574 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Mar

(8) Includes 382,890 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Mar

(9) Includes 255,949 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Mar

(10) Includes 86,789 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc

(11) The indicated ownership is based solely on a Form 4 filed with the SEC by reporting person on December 4, 2017.
(12) Includes 76,020 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(13) Includes 88,520 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(14) Includes 93,520 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(15) Includes 31,020 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(16) Includes 61,020 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(17) Includes 85,520 shares of common stock issuable upon exercise of options that are exercisable within 60 days of Marc
(18) Includes 3,125,624 shares of common stock issuable upon exercise of options that are exercisable within 60 days of M

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, our executive officers and persons who own more than ten percent initial reports of ownership and changes in ownership of our common stock. These reporting persons are required by SEC reg copies of all Section 16 reports they file. To our knowledge, based primarily on our review of the copies of such reports recei representations from certain of these reporting persons that no other reports were required, we believe that during the fiscal y 2017, all of these reporting persons complied with all applicable filing requirements.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for th December 31, 2018. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since Jur PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting. This representative will have an opportunity t be available to respond to appropriate questions.

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

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

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

THIS PROPOSAL NO. 2

Independent Registered Public Accounting Firm Fees

PricewaterhouseCoopers LLP served as our independent registered public accounting firm for 2016 and 2017 and their aggre rendered were as follows:

Type of Fees	**2017($)**
Audit Fees	1,418,000
Audit-Related Fees	70,000
Tax Fees	
All Other Fees	2,700
Total fees	1,490,700

Audit Fees. Audit fees represent fees for professional services provided in connection with the audit of our financial statemen quarterly financial statements and audit services provided in connection with other statutory or regulatory filings. In 2017, th service to support our Oracle Enterprise Resource Planning (ERP) software implementation, acquisition of a pharmaceuti Bothell, Washington and Immunomedics transaction.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to t or review of our financial statements and are not reported under Audit Fees. In 2017, these fees related to support of our O There were no audit-related fees billed to Seattle Genetics for services rendered during 2016.

Tax Fees. Tax fees principally included tax compliance, tax advice and tax planning fees. There were no tax fees billed to Se rendered during 2016 or 2017.

All Other Fees. All other fees include any fees billed that are not audit, audit related, or tax fees. In 2016 and 2017, these fees research software.

Pre-Approval Policies and Procedures

In October 2006, the Audit Committee adopted an Audit and Audit-Related Services Pre-Approval Policy (the Policy), wh and the conditions pursuant to which services proposed to be performed by the independent registered public accounting firm Proposed services either may be pre-approved by the Audit Committee without consideration of specific case-by-case service pre-approval) or require the specific pre-approval of the Audit Committee (i.e., specific pre-approval). The Audit Committee combination of these two approaches has resulted in an effective and efficient procedure to pre-approve services performed b registered public accounting firm. As set forth in the Policy, unless a type of service has received general pre-approval, it wil pre-approval by the Audit Committee if it is to be provided by the independent registered public accounting firm. Any propo pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee. In addition, th delegated to the Chair of the Audit Committee the authority to pre-approve services not prohibited by the Policy to be perfor registered public accounting firm and associated fees up to $25,000, provided that the Chair is required to report any decision audit-related or non-audit services and fees to the full Audit Committee for ratification at its next regular meeting. All audit-r services performed by our independent registered public accounting firm in 2017 were pre-approved.

AUDIT COMMITTEE REPORT (1)

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

The members of the Audit Committee are currently David W. Gryska (chairman), John A. Orwin and Daniel G. Welch. Each Audit Committee is an independent director as currently defined in Rules 5605(c)(2)(A)(i) and (ii) of the Nasdaq listing st Exchange Act. The Board of Directors has also determined that David W. Gryska is an audit committee financial expert a and regulations of the SEC.

The Audit Committee appoints an accounting firm as our independent registered public accounting firm. The independent reg firm is responsible for performing an independent audit of our financial statements in accordance with the standards of the Pu Oversight Board, or PCAOB, and issuing a report thereon. Management is responsible for our internal controls and the financ Audit Committee is responsible for monitoring and overseeing these processes.

The Audit Committee held five meetings and acted by written consent once during 2017. The meetings were designed to pro Audit Committee necessary for it to conduct its oversight function of the external financial reporting activities and audit proc to facilitate and encourage communication between the Audit Committee, management and our independent registered publi PricewaterhouseCoopers LLP. Management represented to the Audit Committee that our financial statements were prepared accounting principles generally accepted in the United States of America. The Audit Committee reviewed and discussed the for 2017 with management and the independent registered public accounting firm. The Audit Committee also instructed the i public accounting firm that the Audit Committee expects to be advised if there are any subjects that require special attention.

The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed No. 16, *Communications with Audit Committees*, as adopted by the PCAOB.

The Audit Committee has also received the written disclosures and the letter from the independent registered public accounti PricewaterhouseCoopers LLP, required by applicable requirements of the PCAOB regarding the independent registered publ communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recom Directors that the audited financial statements and the audited assessment of internal control over financial reporting be inclu on Form 10-K for the fiscal year ended December 31, 2017.

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

David W. Gryska (chairman)

John A. Orwin

Daniel G. Welch

(1) The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporate Seattle Genetics under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, whether m hereof and irrespective of any general incorporation language in any such filing.

PROPOSAL NO. 3

APPROVAL OF THE AMENDMENT AND RESTATEMENT OF

THE SEATTLE GENETICS, INC.

AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

The Board approved an amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incenti
March 2018, subject to stockholder approval. Throughout this proxy statement, we refer to the 2007 Plan, as amended and re
March 2018, as the Restated 2007 Plan .

In this Proposal No. 3, we are requesting stockholder approval of the Restated 2007 Plan in order to:

- increase the number of shares of common stock authorized for issuance under the Restated 2007 Plan beyond those
future grant under the 2007 Plan by an additional 6,000,000 shares subject to adjustment for certain changes in our

- increase the limit on the number of shares that may be issued in settlement of incentive stock options granted under
66,000,000 shares, subject to adjustment for certain changes in our capitalization; and

- make certain additional changes under the Restated 2007 Plan, as described below under the section entitled Sumr
Terms in the Restated 2007 Plan.

Why We Recommend That You Vote for the Restated 2007 Plan

Equity Awards Are an Important Part of Our Compensation Philosophy

The Restated 2007 Plan is critical to our ongoing effort to build stockholder value. As discussed in this proxy statement unde
of Executive Officers Compensation Discussion and Analysis , equity awards are central to our compensation program. Eq
significant percentage of the at-risk, or variable, portion of our executive officers compensation arrangements. We believe t
the interests of our executive officers with those of our stockholders to achieve and sustain long-term stock price growth. Ad
represent a significant portion of the compensation we pay to non-employee members of the Board, as well as employees bel
level.

The Board believes we must continue to offer a competitive equity compensation program in order to attract, retain and moti
talented employees necessary for our continued growth and success. The share reserve of the Restated 2007 Plan is structure
sufficient number of shares to continue to utilize a broad array of equity incentives in order to secure and retain the services c
employees and directors, and to provide incentives for such persons to exert maximum efforts toward our success.

In the event that our stockholders do not approve this Proposal No. 3, the Restated 2007 Plan will not become effective and t
in its current form. However, without the Restated 2007 Plan, we believe that the shares available for grant under the 2007 P
meet our anticipated employee recruiting and retention needs.

We Manage Our Equity Award Use Carefully and Dilution Is Reasonable

We manage our long-term stockholder dilution by limiting the number of equity awards granted annually. The Board careful
rate, dilution, and equity expense to ensure that we maximize stockholders value by granting only the appropriate number c

attract, reward, and retain employees.

The following table shows our responsible burn rate history.

	FY17	FY16
Gross Burn Rate as a % of Outstanding (1)	2.13%	2.62%
Adjusted Burn Rate as a % of Outstanding (2)	1.57%	2.41%

(1) Gross Burn Rate is calculated as: (shares subject to options granted + shares subject to full value awards granted)/weig shares outstanding.

(2) Adjusted Burn Rate is calculated as: (shares subject to options granted + shares subject to full value awards granted sh full value awards that expired, terminated or were forfeited)/weighted average common shares outstanding.

In evaluating whether to approve the Restated 2007 Plan, the Compensation Committee reviewed certain forecasts of stock a the Restated 2007 Plan. Management presented the forecasts below for the periods indicated.

Restated 2007 Plan	**May 2018 - December 201 Forecast**
Shares Available for Award Beginning Balance including May 2018 Stockholder Approval Share Increase	**8.9M**
Grant Allocations	
Employees	3.2M
Directors	100K
Total Allocations	3.3M
Shares Available for Award Ending Balance	5.6M

As of March 22, 2018 there were 158,159,874 shares of our common stock outstanding. The closing price of our common st Nasdaq Global Select Market as of March 22, 2018 was $53.21 per share.

The Size of Our Share Reserve Request Is Reasonable

If our request to increase the share reserve of the 2007 Plan by 6,000,000 shares is approved, we will have approximately 8,9 grant under the Restated 2007 Plan after our 2018 Annual Meeting, which we anticipate being a two-year pool of shares and predictable amount of equity for attracting, retaining, and motivating employees and other service providers.

The Restated 2007 Plan Combines Compensation and Governance Best Practices

The Restated 2007 Plan includes provisions that are designed to protect our stockholders interests and to reflect corporate g including:

Repricing is not allowed. The Restated 2007 Plan prohibits the repricing of outstanding stock options and stock app cancellation of any outstanding stock options or stock appreciation rights that have an exercise or strike price greate market value of our common stock in exchange for cash or other awards under the Restated 2007 Plan without prio

Stockholder approval is required for additional shares. The Restated 2007 Plan does not contain an annual evergr
2007 Plan authorizes a fixed number of shares, so that stockholder approval is required to issue any additional share
stockholders to have direct input on our equity compensation programs.

Responsible change in control provisions. The definition of change in control in the Restated 2007 Plan requires the
transaction so that no vesting acceleration benefits may occur

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without an actual change in control transaction occurring. In addition, if awards are assumed or equivalent awards a
successor corporation, vesting acceleration benefits would only occur if the recipient s service is involuntarily term

Independent Compensation Committee. Our Compensation Committee consists entirely of independent directors. O
of eight independent directors and Dr. Siegall, our President and Chief Executive Officer.

Summary of Material Changes and Terms in the Restated 2007 Plan

The Restated 2007 Plan contains the following material changes from the 2007 Plan:

increases the maximum aggregate number of shares of common stock authorized for issuance under the Restated 20
shares, subject to adjustment for certain changes in our capitalization (the maximum aggregate number of shares of
for issuance under the 2007 Plan is 27,000,000 shares);

increases the maximum aggregate number of shares that may be issued under the Restated 2007 Plan through incent
66,000,000 shares, subject to adjustment for certain changes in our capitalization (the maximum aggregate number
under the 2007 Plan through incentive stock options is 27,000,000 shares);

extends the term of the Restated 2007 Plan through May 17, 2028 (the term of the 2007 Plan ends on May 20, 2026

eliminates the provision in the 2007 Plan pursuant to which shares tendered or withheld to satisfy tax withholding o
with an equity award become available for reissuance under the 2007 Plan;

provides that awards granted under the Restated 2007 Plan must have a minimum vesting period of one year from t
or the vesting commencement date, if any (the 2007 Plan requires a minimum vesting period of one year from the g
than stock options);

provides that in the event of an awardee s termination due to death or an awardee s death within 30 days following
awardee may exercise each outstanding stock option granted to the awardee under the Restated 2007 Plan (to the ex
as of the date of death) until the earlier of (i) 12 months following the date of death or (ii) the expiration of the term
provided otherwise by the plan administrator (the 2007 Plan contains a similar provision, except that the specified p
12 months); and

provides that in the event of an awardee s termination due to death or disability, the vesting (and exercisability, if a
outstanding time-based equity award granted to the awardee under the Restated 2007 Plan will be accelerated for an
2007 Plan does not contain such a provision).

The other material terms of the Restated 2007 Plan will remain the same as in the 2007 Plan as follows:

the types of awards that may be granted are stock options (including incentive stock options and nonstatutory stock
restricted stock units, stock appreciation rights and other similar types of awards;

shares subject to awards that are canceled, expired or are forfeited (including with respect to any shares that have be
will be available for re-grant under the Restated 2007 Plan;

if an awardee pays the exercise or purchase price of an award through the tendering of shares, the number of shares
available for re-grant under the Restated 2007 Plan;

no awardee may be granted, in any calendar year under the Restated 2007 Plan, awards covering more than 1,000,0
adjustment for certain changes in our capitalization;

in the event of any stock split, reverse stock split, stock dividend, spin-off, combination, or reclassification of our co change to our capital structure (effected without receipt of consideration by us), the plan administrator will make pr (1) the number and kind of shares covered by each outstanding award under the Restated 2007 Plan, (2) the exercise repurchase) price per share subject to each outstanding award under the Restated 2007 Plan and (3) each of the shar Restated 2007 Plan; and

stockholder approval is required for certain types of amendments to the Restated 2007 Plan.

Note Regarding Forecasts and Forward-Looking Statements

We do not as a matter of course make public forecasts as to our total shares outstanding and utilization of various equity awa unpredictability of the underlying assumptions and estimates. In particular, the forecasts set forth above in this Proposal No. assumptions regarding stock option exercises which are highly dependent on the public trading price of our common stock an do not control and, as a result, we do not as a matter of practice provide forecasts. In evaluating these forecasts, the Board rec inherent in these assumptions.

However, we have included above a summary of these forecasts to give our stockholders access to certain information that w for purposes of evaluating the approval of the Restated 2007 Plan. These forecasts reflect various assumptions regarding our

The inclusion of the forecasts set forth above should not be regarded as an indication that these forecasts will be predictive of and the forecasts should not be relied upon as such. Neither we nor any other person makes any representation to any of our s actual outcomes compared to the information contained in the forecasts set forth above. Although presented with numerical s not fact and reflect numerous assumptions and estimates as to future events made by our management that our management b the time the forecasts were prepared and other factors such as industry performance and general business, economic, regulato conditions, as well as factors specific to our business, all of which are difficult to predict and many of which are beyond the c In addition, the utilization forecasts with respect to our equity awards do not take into account any circumstances or events o they were prepared and, accordingly, do not give effect to any changes to our operations or strategy that may be implemented actual outcomes may be, and likely will be, materially different than those reflected in the forecasts. We disclaim any obligat update or otherwise revise the forecasts to reflect circumstances existing after the date when made or to reflect the occurrence any or all of the assumptions underlying the forecasts are shown to be in error. The forecasts are forward-looking statements Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21A of the Exchange Act. These st uncertainties that could cause actual outcomes to differ materially from those in the forward-looking statements, including ou retain talent, achievement of performance metrics, if any, with respect to certain equity awards, the extent of stock option exe described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the Securities and Exc

Stockholder Approval

The Restated 2007 Plan will not become effective unless this Proposal No. 3 is approved by our stockholders. If this Proposa stockholders, the Restated 2007 Plan will become effective upon the date of the 2018 Annual Meeting. In the event that our s this Proposal No. 3, the Restated 2007 Plan will not become effective and the 2007 Plan will continue in its current form.

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

SUMMARY OF THE RESTATED 2007 PLAN

General

A copy of the Restated 2007 Plan is attached to this Proxy Statement as Appendix A. The following description of the Restat
and so is qualified by reference to the complete text of the Restated 2007 Plan. This summary reflects the terms set forth abo

The purpose of the Restated 2007 Plan is to enhance the long-term stockholder value of Seattle Genetics by offering opportu
to participate in the growth in value of our equity. Stock options and stock awards, including restricted stock, restricted stock
rights and similar types of awards, may be granted under the Restated 2007 Plan. Options granted under the Restated 2007 P
stock options, as defined in Section 422 of the Code, or nonstatutory stock options.

Administration

The Restated 2007 Plan may be administered by the Board, a committee of the Board, or one or more of our officers delegat
Board committee in accordance with the terms of the Restated 2007 Plan. We refer to the group or person that administers th
time to time below as the plan administrator.

Eligibility

Awards may be granted under the Restated 2007 Plan to our employees (including officers), directors and consultants and th
consultants of our affiliates. Incentive stock options may be granted only to our employees or the employees of our subsidiar
we (including our affiliates) had approximately 1122 employees, 7 non-employee directors and 37 consultants. The plan adm
employees, directors and consultants to whom awards may be granted, the time or times at which such awards are granted, a

Share Reserve

If this Proposal No. 3 is approved, the total number of shares of our common stock authorized for issuance under the Restate
33,000,000 shares, subject to adjustment for certain changes in our capitalization.

Shares subject to awards that are canceled, expired or are forfeited (including with respect to any shares that have been issue
available for re-grant under the Restated 2007 Plan. If an awardee pays the exercise or purchase price of an award through th
number of shares tendered will become available for re-grant under the Restated 2007 Plan.

Share Limits

If this Proposal No. 3 is approved, the total number of shares of our common stock that may be issued under the Restated 20
exercise of incentive stock options will be 66,000,000 shares, subject to adjustment for certain changes in our capitalization.

Under the Restated 2007 Plan, no awardee may be granted awards covering more than 1,000,000 shares in any calendar year
certain changes in our capitalization.

Section 162(m) Transition Relief for Performance-Based Compensation

Certain provisions in the Restated 2007 Plan refer to the performance-based compensation exception under Section 162(m
Tax Cuts and Jobs Act, this exception was recently repealed

with respect to taxable years beginning after December 31, 2017. However, an award may still be eligible for this exception i requirements, it is intended to qualify, and is eligible to qualify, as performance-based compensation under Section 162(m transition relief provided by the Tax Cuts and Jobs Act for remuneration provided pursuant to a written binding contract whi November 2, 2017 and which was not modified in any material respect on or after such date. For purposes of this Proposal N Section 162(m) Transition Relief refers to such transition relief. As of the date the Board approved the Restated 2007 Plan Treasury and the Internal Revenue Service had not issued any applicable guidance, rulings or regulations regarding the Secti Relief. Accordingly, the provisions in the Restated 2007 Plan which refer to the performance-based compensation excepti Code were not removed so as not to jeopardize the ability of certain awards to qualify for the Section 162(m) Transition Reli guidance, rulings or regulations are issued. However, such provisions will only apply to any award that is intended to qualify as performance-based compensation under Section 162(m) of the Code pursuant to the Section 162(m) Transition Relief a applicable to any other awards granted under the Restated 2007 Plan. Because of certain ambiguities and uncertainties as to t interpretation of Section 162(m) of the Code and the regulations issued thereunder, including the uncertain scope of the Secti Relief, we do not know the extent to which any award granted under the Restated 2007 Plan will be eligible for the Section 1 at all.

Terms and Conditions of Options

Each option is evidenced by a stock option agreement between us and the optionee and is subject to the following additional

Exercise Price. The plan administrator determines the exercise price of options at the time the options are granted. The exerc stock option or a nonstatutory stock option may not be less than 100% of the fair market value of our common stock on the d provided that the exercise price of an incentive stock option granted to an employee who holds more than 10% of the voting stock may not be less than 110% of the fair market value of our common stock on the date the option is granted. However, w exercise prices less than the fair market value of our common stock on the date of grant in connection with an acquisition by fair market value of our common stock is the closing price for the shares as reported on the Nasdaq Global Select Market as March 22, 2018, the closing price of our common stock as reported on the Nasdaq Global Select Market was $53.21 per shar

Exercise of Option; Form of Consideration. The plan administrator determines when options vest and become exercisable an accelerate the vesting of any outstanding option; provided, however, that (i) each option must have a minimum vesting perio earlier of the date of grant or vesting commencement date, if any, and (ii) in the event of an optionee s termination due to de and exercisability of each outstanding time-based option granted to the optionee under the Restated 2007 Plan will be acceler months. The means of payment for shares issued upon exercise of an option are specified in each option agreement. The Res payment to be made by cash, check, wire transfer, other shares of our common stock (with some restrictions), broker assisted net exercise arrangements, any other form of consideration permitted by applicable law and the plan administrator, or any

Term of Option. The term of an option may be no more than ten years from the date of grant, provided that the term of an inc to an employee who holds more than 10% of the voting power of all classes of our stock may be no more than five years fro option may be exercised after the expiration of its term.

Termination of Service. If an optionee s service as an employee, director or consultant (referred to in this Proposal No. 3 as reason other than cause, death or disability, then options held by

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the optionee under the Restated 2007 Plan generally will be exercisable to the extent they are vested and exercisable on the te (as specified by the plan administrator) after the termination date but not after the options expiration date. If an optionee s then the plan administrator has the authority to terminate all options held by the optionee under the Restated 2007 Plan imme

Generally, if an optionee s service terminates as a result of the optionee s death or in the event of an optionee s death withi optionee s termination of service, all outstanding options that were vested and exercisable as of the date of the optionee s de twelve months following the optionee s death but in no event after the options expiration date. Generally, if an optionee s the optionee s disability, then all options to the extent they are vested and exercisable on the termination date may be exercis following the termination date but in no event after the options expiration date. The plan administrator has the authority to e which an option is to remain exercisable following an optionee s termination (taking into account limitations and consequen beyond the expiration of the term of the option.

Terms and Conditions of Stock Awards

Stock awards may be restricted stock grants, restricted stock units, stock appreciation rights or other similar awards. Restricte of a specific number of shares of our common stock. Restricted stock units represent a promise to deliver shares of our comm cash or property equal to the value of the underlying shares, at a future date. Stock appreciation rights are rights to receive ca common stock based on the amount by which the exercise date fair market value of a specific number of shares exceeds the g of the exercised portion of the stock appreciation right.

Each stock award agreement will contain provisions regarding (i) the number of shares subject to the stock award, (ii) the pu any, and the means of payment for the shares, (iii) the performance criteria (including qualifying performance criteria), if any versus these criteria that will determine the number of shares granted, issued, retainable and vested, as applicable, (iv) such t grant, issuance, vesting, settlement, and forfeiture of the shares, as applicable, as may be determined from time to time by the (v) restrictions on the transferability of the stock award, and (vi) such further terms and conditions, in each case not inconsist Plan, as may be determined from time to time by the plan administrator; *provided, however*, that (i) each stock award must ha period of one year from the earlier of the date of grant or the vesting commencement date, if any, and (ii) in the event of an a death or disability, the vesting (and exercisability, if applicable) of each outstanding time-based stock award granted to the a 2007 Plan will be accelerated for an additional 12 months.

Repricing; Cancellation and Re-Grant of Awards

No option or stock appreciation right may be repriced to reduce the exercise or strike price of such option or stock appreciati approval (except in connection with a change in our capitalization see Adjustments upon Changes in Capitalization, Chang below). Additionally, the plan administrator will not have the authority to cancel any outstanding option or stock appreciation or strike price greater than the then-current fair market value of our common stock in exchange for cash or other awards unde unless our stockholders have approved such an action within twelve months prior to such an event.

Nontransferability

Generally, awards granted under the Restated 2007 Plan are not transferable other than by will or the laws of descent and dis beneficiary upon the awardee s death. The plan administrator may in

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its discretion make an award transferable to an awardee s family member or any other person or entity as it deems appropria

Qualifying Performance Criteria

The Restated 2007 Plan permits us to grant awards incorporating performance objectives called qualifying performance crit criteria means any one or more of the performance criteria listed below, either individually, alternatively or in combination, a Genetics as a whole or to a business unit, affiliate or business segment, either individually, alternatively or in any combinatio annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years comparison group, in each case as specified by the plan administrator in the award agreement: (i) cash flow; (ii) earnings (inc earnings before interest and taxes, earnings before taxes, and net earnings); (iii) earnings per share; (iv) growth in earnings or (v) stock price; (vi) return on equity or average stockholders equity; (vii) total stockholder return; (viii) return on capital; (ix assets; (x) return on investment; (xi) revenue; (xii) income or net income; (xiii) operating income or net operating income, in (xiv) operating profit or net operating profit; (xv) operating margin; (xvi) return on operating revenue; (xvii) market share; (x value relative to the moving average of a peer group index; (xix) strategic plan development and implementation (including i objectives that relate to achievement of Seattle Genetics or any business unit s strategic plan); (xx) improvement in workforc revenue, operating income or net income; (xxii) approval by the U.S. Food and Drug Administration or other regulatory body and (xxiii) any other similar criteria.

The Compensation Committee may appropriately adjust any evaluation of performance under a qualifying performance crite following events that occurs during a performance period: (A) asset write-downs; (B) litigation or claim judgments or settlem changes in tax law, accounting principles or other such laws or provisions affecting reported results; (D) accruals for reorgan programs and/or other nonrecurring charges; and (E) any gains or losses that are unusual in nature or occur infrequently accounting principles or discontinued operations in our financial statements.

Deferral of Award Benefits

The plan administrator may permit awardees whom it selects to defer compensation payable pursuant to the terms of an awar arising outside the terms of the Restated 2007 Plan pursuant to a program that provides for deferred payment in satisfaction o amounts through the issuance of one or more awards under the Restated 2007 Plan and in a manner that complies with Sectio

Adjustments upon Changes in Capitalization, Change in Control or Dissolution

In the event of any stock split, reverse stock split, combination or reclassification of common stock, stock dividend, spin-off, capital structure effected without receipt of consideration by us, the plan administrator will make proportionate adjustments t shares covered by each outstanding award under the Restated 2007 Plan, (ii) the exercise or purchase (including repurchase) each outstanding award under the Restated 2007 Plan and (iii) each of the share limitations under the Restated 2007 Plan.

In the event of (i) an acquisition of us by means of any transaction or series of related transactions, including any reorganizat but excluding any merger effected exclusively for the purpose of changing our domicile, (ii) any sale of all or substantially al other event specified by the plan administrator, so long as in either (i) or (ii), our stockholders of record immediately prior to hold less than 50% of the voting power of the surviving entity and, so long as in (iii) that no change in control will be deeme announcement or commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger case without a requirement that the change in control actually occur (each, a change in control), then:

if the successor corporation does not assume or substitute equivalent awards for an awardee s outstanding equity a Restated 2007 Plan and the awardee s service has not terminated as of, or has terminated without cause immediatel of the change in control, then as of immediately prior to the effective time of the change in control, the vesting of s accelerated in full; and

if the awardee s outstanding equity awards are assumed or equivalent awards are substituted by the successor corp immediately prior to or within twelve months after the effective time of the change in control, the awardee s servic or due to constructive termination, then as of the date of such termination, the vesting of such awards will be accele

In the event of a liquidation or dissolution, any options or stock awards that have not been exercised will terminate immediat

The plan administrator has the authority to accelerate vesting of outstanding awards under the Restated 2007 Plan at any tim

Amendment and Termination of the Restated 2007 Plan

The plan administrator may amend, alter or discontinue the Restated 2007 Plan or any award agreement at any time. Howeve stockholder approval for any amendment to the Restated 2007 Plan if stockholder approval is necessary or desirable to comp or listing requirements. In addition, we will obtain stockholder approval of any of the following: (i) an increase to the shares the Restated 2007 Plan other than an increase in connection with a change in our capitalization as described in Adjustments Capitalization, Change in Control or Dissolution above; (ii) a change of the class of persons eligible to receive awards unde (iii) a reduction in the minimum exercise prices at which options or stock appreciation rights may be granted; or (iv) any ame options or stock appreciation rights that results in a repricing of such awards. No amendment of the Restated 2007 Plan will i outstanding award without the consent of the awardee, except as otherwise provided in the Restated 2007 Plan. If the Restate our stockholders, then unless sooner terminated, the Restated 2007 Plan will automatically terminate on May 18, 2028, whic the date of stockholder approval of the Restated 2007 Plan.

Restated 2007 New Plan Benefits

	Restated 2007 Plan
Name and Position	
Clay B. Siegall, Ph.D. (1) President and Chief Executive Officer	
Todd E. Simpson (1) Chief Financial Officer	
Eric L. Dobmeier (1) Former Chief Operating Officer	
Jonathan Drachman, M.D. (1) Chief Medical Officer	
Vaughn B. Himes, Ph.D. (1) Chief Technical Officer	
Jean Liu (1) General Counsel and Executive Vice President, Legal Affairs	
All current executive officers as a group (1)	
All current directors who are not executive officers as a group (2)	
All employees, including all current officers who are not executive officers, as a group (1)	

(1) Awards granted under the Restated 2007 Plan to our executive officers and other employees are discretionary and are r
amounts under the terms of the Restated 2007 Plan, and the Compensation Committee and Board have not granted any
2007 Plan subject to stockholder approval of this Proposal No. 3. Accordingly, the benefits or amounts that will be rece
executive officers and other employees under the Restated 2007 Plan, as well as the benefits or amounts which would b
allocated to our executive officers and other employees for 2017 if the Restated 2007 Plan had been in effect, are not d
resigned from his position as Chief Operating Officer of Seattle Genetics, effective as of December 14, 2017, and, ther
granted any awards under the Restated 2007 Plan.

(2) Awards granted under the Restated 2007 Plan to our non-employee directors are discretionary and are not subject to se
the terms of the Restated 2007 Plan. However, the Board s current non-employee director compensation policy establi
subject to initial and annual stock awards that automatically will be granted to our non-employee directors under the R
Proposal No. 3 is approved by our stockholders. Pursuant to such policy, if this Proposal No. 3 is approved by our stoc
2018 Annual Meeting, each of our current non-employee directors will be granted annual stock awards under the Resta
(i) an option to purchase 9,260 shares of our common stock and (ii) a restricted stock unit award covering 3,700 shares
that an aggregate of 90,720 shares of our common stock will be subject to awards granted to our non-employee directo
Annual Meeting. This aggregate number of shares does not include an annual stock award to Dr. Seth as she was appoi
the Board and is not eligible to receive an annual grant under the Restated 2007 Plan. For additional information regard
non-employee director compensation policy, see Director Compensation Equity Compensation above.

2007 Plan Benefits

The following table sets forth, for each of the individuals and the various groups indicated, the total number of shares of our awards that have been granted (even if not currently outstanding) under the 2007 Plan since its approval by our stockholders 2018.

2007 Plan

Name and Position
Clay B. Siegall, Ph.D. President and Chief Executive Officer
Todd E. Simpson Chief Financial Officer
Jonathan Drachman, M.D. Chief Medical Officer
Vaughn B. Himes, Ph.D. Chief Technical Officer
Jean I. Liu General Counsel and Executive Vice President, Legal Affairs
Eric L. Dobmeier Former Chief Operating Officer
All current executive officers as a group (1)
All current directors who are not executive officers as a group
Each nominee for election as a director:
Felix Baker, Ph.D.
Clay B. Siegall, Ph.D.
Nancy A. Simonian, M.D.
Each associate of any executive officers, current directors or director nominees
Each other person who received or is to receive 5% of awards
All employees, including all current officers who are not executive officers, as a group

(1) This calculation does not include equity awards granted to Mr. Dobmeier. Mr. Dobmeier resigned from his position as Seattle Genetics, effective as of December 14, 2017.

EQUITY COMPENSATION PLAN INFORMATION

Please see the section of this proxy statement entitled Equity Compensation Plan Information for certain information with under which equity securities of Seattle Genetics are authorized for issuance.

FEDERAL INCOME TAX CONSEQUENCES

THE FOLLOWING IS A GENERAL SUMMARY OF THE FEDERAL INCOME TAX CONSEQUENCES OF THE ISSU OF OPTIONS OR OTHER AWARDS UNDER THE RESTATED 2007 PLAN. IT DOES NOT DESCRIBE STATE OR OT CONSEQUENCES OF THE ISSUANCE AND EXERCISE OF OPTIONS OR OTHER AWARDS. THE INFORMATION SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. THE INFORMATION IS BASED UPON CURRE

TAX RULES AND THEREFORE IS SUBJECT TO CHANGE WHEN THOSE RULES CHANGE. THE RESTATED 2007
QUALIFIED UNDER THE PROVISIONS OF SECTION 401(A) OF THE CODE AND IS NOT SUBJECT TO ANY OF T
EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974. OUR ABILITY TO REALIZE THE BENEFIT OF AN
DESCRIBED BELOW DEPENDS ON OUR GENERATION OF TAXABLE INCOME, AS WELL AS THE REQUIREME
REASONABLENESS,

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THE PROVISIONS OF SECTION 162(M) OF THE CODE AND THE SATISFACTION OF OUR TAX REPORTING OBI

Options

The grant of an incentive stock option has no federal income tax effect on the optionee. Upon exercise the optionee does not regular tax purposes. However, the excess of the fair market value of the stock subject to an option over the exercise price referred to as the option spread) is included in the optionee s alternative minimum taxable income for purposes of the optionee does not dispose of the stock acquired upon exercise of an incentive stock option until more than two years after the than one year after exercise of the option, any gain (or loss) upon sale of the shares will be a long-term capital gain (or loss). otherwise disposed of before these periods have expired, which is referred to as a disqualifying disposition, the option spread the option (but not more than the amount of the gain on the sale or other disposition) is ordinary income in the year of such s gain on a disqualifying disposition exceeds the amount treated as ordinary income, the excess is taxable as capital gain (whic gain if the shares have been held more than one year after the date of exercise of the option). We are not entitled to a federal connection with incentive stock options, except to the extent that the optionee has taxable ordinary income on a disqualifying by Section 162(m)).

The grant of a nonstatutory stock option having an exercise price equal to the grant date fair market value of our common sto tax effect on the optionee. Upon the exercise of a nonstatutory stock option, the optionee has taxable ordinary income (and u Section 162(m), we are entitled to a corresponding deduction) equal to the option spread on the date of exercise. Upon the di upon exercise of a nonstatutory stock option, the optionee recognizes either long-term or short-term capital gain or loss, depe stock was held, on any difference between the sale price and the exercise price, to the extent not recognized as taxable incom We may allow nonstatutory stock options to be transferred subject to conditions and restrictions imposed by the plan adminis apply on such a transfer. In the case of both incentive stock options and nonstatutory stock options, special federal income ta stock is used to pay all or part of the option price, and different rules than those described above will apply if unvested share of the option.

Stock Awards

Stock Awards. Stock awards will generally be taxed in the same manner as nonstatutory stock options. Shares issued under a subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code to the extent the shares will be forf participant ceases to provide services to us and are not transferable. As a result of this substantial risk of forfeiture, the partic ordinary income at the time the award shares are issued. Instead, the participant will recognize ordinary income on the dates subject to a substantial risk of forfeiture, or when the stock becomes transferable, if earlier. The participant s ordinary incom difference between the amount paid for the stock, if any, and the fair market value of the stock on the date the stock is no lon

The participant may accelerate his or her recognition of ordinary income, if any, and begin his or her capital gains holding pe within thirty days of the share issuance date) an election pursuant to Section 83(b) of the Code. In such event, the ordinary in measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the date o capital gain holding period commences on such date. The ordinary income recognized by an employee will be subject to tax entitled to a deduction in the same amount as and at the time the employee recognizes ordinary income.

Stock Appreciation Rights. We may grant under the Restated 2007 Plan stock appreciation rights separate from any other awa awards under the Restated 2007 Plan. Where the stock appreciation rights are granted with a strike price equal to the fair mar stock on the grant date, the participant will recognize ordinary income equal to the fair market value of the stock or cash rece Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax repo generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant in connection with th

Restricted Stock Units. Generally, the recipient of a stock unit structured to conform to the requirements of Section 409A of t Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the shares of our common stock received over any amount paid by the participant in exchange for the shares of our common stoc requirements of Section 409A of the Code, the shares of our common stock subject to a stock unit award may generally only the following events: a fixed calendar date (or dates), separation from service, death, disability or a change in control. If deliv unless the stock units otherwise comply with or qualify for an exception to the requirements of Section 409A of the Code, in treatment described above, the participant will owe an additional 20% federal tax and interest on any taxes owed.

The participant s basis for the determination of gain or loss upon the subsequent disposition of shares acquired from stock u for such shares plus any ordinary income recognized when the stock is delivered.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax repor generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant.

Section 409A of the Code

The American Jobs Creation Act of 2004 added Section 409A to the Code, generally effective January 1, 2005. Section 409A defer the receipt of compensation to a succeeding year. It provides rules for elections to defer, if any, and for timing of payou penalties placed on the individual participant for failure to comply with Section 409A. However, it does not impact our abilit compensation.

Section 409A does not apply to incentive stock options, nonstatutory stock options that have an exercise price that is at least market value and restricted stock provided there is no deferral of income beyond the vesting date. Section 409A also does no rights if the exercise price is not less than the fair market value of the underlying stock on the date of grant, the rights are sett features defer the recognition of income beyond the exercise date.

Section 162(m) of the Code

Section 162(m) of the Code disallows a deduction to any publicly held corporation and its affiliates for certain compensation in a taxable year to the extent that compensation to a covered employee exceeds $1 million. Prior to the recent enactment of t compensation that qualified as performance-based compensation under Section 162(m) of the Code was not subject to this to the Tax Cuts and Jobs Act, this exception for performance-based compensation under Section 162(m) of the Code was taxable years beginning after December 31, 2017, except that certain transition relief is provided by the Tax Cuts and Jobs A provided pursuant to a written binding contract which was in effect on November 2, 2017 and which was not modified in any such date. As a result, compensation paid to any of our covered employees in excess of $1 million per taxable year generally will not be deductible unless, among other requi qualify, and is eligible to qualify, as performance-based compensation under Section 162(m) of the Code pursuant to the t Tax Cuts and Jobs Act. Because of certain ambiguities and uncertainties as to the application and interpretation of Section 16 regulations issued thereunder, including the uncertain scope of the transition relief provided by the Tax Cuts and Jobs Act, no that any award granted under the Restated 2007 Plan will be eligible for such transition relief and, therefore, eligible for the compensation exception under Section 162(m) of the Code.

ACCOUNTING TREATMENT

We will recognize compensation cost in connection with awards granted under the Restated 2007 Plan as required under app standards. We currently amortize compensation cost associated with equity awards over an award s requisite service period equity awards in accordance with applicable accounting standards.

THE BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL NO. 3

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PROPOSAL NO. 4

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) and Section 14A of the E are entitled to vote to approve, on an advisory (non-binding) basis, the compensation of our Chief Executive Officer, Chief F three other most highly compensated executive officers during the year ended December 31, 2017 (collectively, the Named disclosed in this proxy statement in accordance with the SEC s rules. This non-binding advisory vote is commonly referred

At last year s annual meeting, we provided our stockholders with the opportunity to cast an advisory vote regarding the com executive officers as disclosed in the proxy statement for the 2017 Annual Meeting of Stockholders. At the 2017 Annual Me stockholders overwhelmingly approved the proposal, with approximately 98% of the votes cast voting in favor of the propos asking our stockholders to vote FOR the compensation of our Named Executive Officers as disclosed in this proxy statem SEC s rules.

As described in detail under the heading Compensation of Executive Officers Compensation Discussion and Analysis, o programs are designed to retain and incentivize the high quality executives whose efforts are key to our long-term success. U Named Executive Officers are rewarded on the basis of individual and corporate performance measured against pre-establish goals. Please read the section of this proxy statement under the heading Compensation of Executive Officers Compensatio additional details about our executive compensation programs, including information about the 2017 compensation of our N

The Compensation Committee of our Board of Directors continually reviews the compensation programs for our Named Exe they achieve the desired goals of aligning our executive compensation structure with our stockholders interests and current

We are asking our stockholders to indicate their support for our Named Executive Officer compensation as described in this proposal gives our stockholders the opportunity to express their views on our Named Executive Officers compensation. Th address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the phi practices described in this proxy statement. Accordingly, we are asking our stockholders to cast a non-binding advisory vote resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the Named Executive Officers, as disclosed in the Company s Proxy Statemen of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensatio discussion is hereby APPROVED.

The say-on-pay vote is advisory, and therefore not binding on Seattle Genetics, the Compensation Committee or our Board o our Board of Directors and our Compensation Committee value the opinions of our stockholders, whether expressed through accordingly, the Board and Compensation Committee intend to consider the results of this vote in making determinations in executive compensation arrangements.

Unless our Board of Directors modifies its policy on the frequency of future advisory votes on the compensation of our name next advisory vote on the compensation of our named executive officers will be held at the 2019 Annual Meeting of Stockho stockholders will be able to indicate by advisory vote at our 2023 Annual Meeting of Stockholders their preference as to the votes.

Stockholder approval of this Proposal No. 4 will require the affirmative vote of a majority of the votes cast in person or by pr

THE BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL NO. 4

COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

Our compensation discussion and analysis discusses and analyzes how the Compensation Committee of our Board of Directo Committee) determined the total compensation for our Chief Executive Officer, Chief Financial Officer, our three other mo executive officers during the year ended December 31, 2017 serving as of December 31, 2017, and one former executive offi Company during 2017 but whose total compensation for 2017 would have made him one of the three most highly compensat 2017, who were:

- Clay B. Siegall, Ph.D., our President and Chief Executive Officer (our CEO);
- Todd E. Simpson, our Chief Financial Officer;
- Jonathan Drachman, M.D., our Chief Medical Officer and Executive Vice President, Research and Devel
- Vaughn B. Himes, Ph.D., our Chief Technical Officer;
- Jean I. Liu, our General Counsel and Executive Vice President, Legal Affairs; and
- Eric L. Dobmeier, our former Chief Operating Officer.

We refer to these executive officers as our Named Executive Officers or our named executive officers .

Our compensation discussion and analysis describes our overall executive compensation philosophy, objectives and practices Compensation Committee s decisions and determinations regarding executive compensation for 2017.

Executive Summary

2017 Business Highlights

The financial and operational highlights of our company performance for 2017 were as follows:

- With regard to ADCETRIS® (brentuximab vedotin):
  - We continued execution of our sales strategy for ADCETRIS in the United States and Canada. Net sales $307.6 million in 2017, representing an increase of 16 % over net sales of $265.8 million in 2016.
  - We reported topline positive results for the ECHELON-1 phase 3 clinical trial evaluating ADCETRIS in lymphoma and in September 2017, the U.S. Food and Drug Administration (the FDA) granted Breakt

ADCETRIS in combination with chemotherapy for the frontline treatment of patients with advanced Hod

Based on the positive results of the ECHELON-1 phase 3 clinical trial, we submitted a supplemental Bio (sBLA) to the FDA for the approval of a new indication for ADCETRIS as part of a frontline combina patients with previously untreated advanced classical Hodgkin lymphoma. In December 2017, the FDA g the sBLA.

Based on the positive results of our ALCANZA phase 3 clinical trial, in November 2017, the FDA appro treatment of adult patients with primary cutaneous anaplastic large cell lymphoma (pcALCL) and CD fungoides (MF) who have received prior systemic therapy.

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We initiated the seventh registrational trial of ADCETRIS, CHECKMATE 812, evaluating the combinat
nivolumab (Opdivo) with ADCETRIS for the treatment of relapsed or refractory, or transplant-ineligible
lymphoma under our clinical collaboration with Bristol-Myers Squibb Company (BMS).

With regard to enfortumab vedotin:

In collaboration with Astellas Pharma, Inc. (Astellas), in October 2017,we initiated a pivotal, single-a
patients with locally advanced or metastatic urothelial cancer who have been previously treated with a ch

We initiated a phase 1b clinical trial to evaluate enfortumab vedotin in combination with CPIs in earlier l
metastatic urothelial cancer as well as the lung and ovarian cancer treatment setting.

With regard to tisotumab vedotin:

We exercised our option to co-develop tisotumab vedotin with Genmab, Inc. (Genmab).

We and Genmab reported data in September 2017 from a phase 1/2 trial at the European Society of Medi
Congress.

With regard our product pipeline:

We continued to evaluate ladiratuzumab vedotin (SGN-LIV1A) for patients with LIV-1 positive metastat

We continued to evaluate SGN-LIV1A as part of neo-adjuvant therapy in patients with breast cancer.

We continued to build a robust pipeline by submitting two investigational new drug applications (INDs
two new programs into clinical trials, resulting in fourteen product candidates in clinical development at

Our collaborator, Unum Therapeutics, Inc. (Unum) submitted an IND for its ACTR-BCMA program.
products in collaboration with Unum.

We conducted significant additional research with regard to our earlier stage pipeline and pre-clinical tec

With regard to business and operations:

We continued to expand our operations internationally.

We expanded our internal manufacturing capabilities through the purchase of a pharmaceutical manufact
Washington.

2017 Executive Compensation Highlights

The following key compensation actions were taken with respect to the Named Executive Officers for 2017:

Base Salaries Their annual base salaries were increased, including a 4% annual base salary increase fo

Annual Cash Incentive Awards Because we performed above target with respect to our corporate per
cash incentive awards earned under our Senior Executive Annual Bonus Plan (the Executive Bonus Pla
109% of the Named Executive Officer s target annual cash bonus opportunities, including an annual cas
CEO equal to 105% of his target annual cash bonus opportunity, in line with achievement of 105% of ou
performance goals and the fact that our CEO s annual cash incentive award is entirely dependent on cor

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Long-Term Incentive Compensation They were granted long-term incentive compensation opportun purchase shares of our common stock and RSU awards that may be settled for shares of our common sto date fair values ranging from $1.6 million to $6.3 million, including an option and a RSU award with an value of $6.3 million granted to our CEO.

Special Long-Term Performance-Based Compensation Awards They are eligible to receive certain certain equity awards under the Long-Term Incentive Plan for EV and TV (the EV/TV LTIP), a speci incentivize the achievement of certain key company milestones over a multi-year period. The EV/TV LT tied to the achievement of key regulatory approvals for enfortumab vedotin and tisotumab vedotin. While awards is reflected as 2017 compensation in the Summary Compensation Table, these awards provide purposes over a multi-year period and therefore we do not view them as solely 2017 compensation. Thes granted or vest, as applicable, if the performance goals are not achieved.

Executive Compensation Policies and Practices

We endeavor to maintain sound executive compensation policies and practices, including compensation-related corporate go consistent with our executive compensation philosophy. During 2017, we maintained the following executive compensation drive performance and to minimize behaviors that we believe do not serve our stockholders long-term interests:

Independent Compensation Committee. The Compensation Committee is comprised solely of indepen

Independent Compensation Committee Advisor. The Compensation Committee engaged its own com assist with making the 2017 compensation decisions.

Executive Compensation Review. The Compensation Committee conducted a review and approval of o and reviewed and determined our compensation peer groups used for comparative purposes.

Additional Policies and Practices. Our compensation philosophy and related corporate governance poli complemented by several specific compensation practices that are designed to align our executive compe stockholder interests, including the following:

Compensation At-Risk. Our executive compensation program is designed so that a significant po risk based on our performance, including short-term cash incentives and long-term cash and equi interests of our executive officers and stockholders.

Special Performance-Based Awards. We maintain two special long-term incentive programs off awards that become payable, or subject to grant or vesting, as applicable, only if we achieve desig relating to the phase 3 ECHELON-1 trial for ADCETRIS and certain regulatory approvals of enfo tisotumab vedotin. The equity awards under these programs are subject to further vesting subject t multi-year period following the achievement of such performance goals.

No Special Health or Welfare Benefits. Our executive officers participate in broad-based compar
welfare benefits programs on the same basis as our other full-time, salaried employees.

No Post-Employment Tax Reimbursements. We do not provide any tax reimbursement payment
any severance or change-in-control payments or benefits.

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Stock Ownership Policy. We maintain a policy that requires minimum ownership of shares of our and our other executive officers.

Multi-Year Vesting Requirements. The equity awards granted to our executive officers vest over consistent with current market practice and our retention objectives.

Hedging and Pledging Prohibited. Pursuant to our insider trading policy, we prohibit our executi in short-term speculative transactions and further prohibit them from hedging or pledging our secu

No Stock Option Repricings. Our equity plan does not permit repricing underwater stock options approval.

Results of Most Recent Stockholder Advisory Vote on Executive Compensation

Approximately 99% of the votes cast in the say-on-pay stockholder advisory vote on the compensation of our Named Exe approved our executive compensation as described in our 2017 definitive proxy statement. The Compensation Committee co stockholder advisory vote as an endorsement of its compensation policies, practices and philosophy for our Named Executiv Compensation Committee determined not to make any significant changes as a result of the vote. In addition, in part based o vote, the Compensation Committee has maintained a consistent approach in making compensation decisions.

The Compensation Committee considers the results of the say-on-pay vote on our executive compensation program as part o compensation review. Our Board of Directors values the opinions of our stockholders, and the Compensation Committee wil outcome of future say-on-pay votes, as well as any feedback received throughout the year, when making compensation decis Executive Officers. The next say-on-pay vote on the compensation of the Named Executive Officers will take place at the A

Compensation Philosophy and Objectives

Our compensation philosophy is to provide overall compensation that is competitive to attract and retain the highest caliber e particular, we believe that, when targeted levels of performance are achieved, the resulting compensation should approximat practices of a peer group of companies selected by the Compensation Committee, and that additional performance should be compensation upwards towards the 75th percentile of our peer group if an individual s and our corporate performance excee Compensation Committee believes that this approach is reasonable and appropriate to achieve the objectives of our compens its experience and judgment when interpreting competitive market data and making compensation decisions for our executiv objectives of our executive compensation program include aligning pay with company performance, driving the achievement increase stockholder value over the long-term and weighting pay deliberately toward at risk performance-based compensa

Compensation-Setting Process

Role of the Compensation Committee

The Compensation Committee s basic responsibility is to review the performance of our management in achieving corporat ensure that our management is compensated effectively in a manner consistent with our compensation philosophy, competiti requirements of the appropriate regulatory bodies. Toward that end, the Compensation Committee oversees, reviews, and ap compensation program.

For 2017, the Compensation Committee reviewed the base salaries, annual cash incentive compensation opportunities, and th compensation of our Named Executive Officers and compared them to our compensation peer group as described below in primarily to ensure that our Named Executive Officer target total direct compensation opportunities as a whole were market c determine whether any adjustments were necessary. Generally, the Compensation Committee seeks to establish a mix betwee long-term equity incentives similar to the mix used by the companies in our compensation peer group. For example, generall Compensation Committee set a significant portion of compensation to be at risk based on our performance, in the form of heavier weight towards equity incentives that directly align the interests of our executives with our stockholders. The Compe that it is important to align compensation levels and the mix of compensation to that offered by our peers in order to retain an executive officers whose efforts are key to our long-term success.

At the time it makes its executive compensation decisions, the Compensation Committee also reviews individual performanc performance against pre-established company corporate and strategic goals, as well as the Company s performance generally with respect to the principal, ongoing elements of compensation for our executive officers are based, in combination with the analysis described above, upon the Compensation Committee s assessment of:

- each individual s performance as assessed by our CEO (other than his own performance) in consultation Committee and our Executive Vice President, Human Resources; and

- overall company performance measured against corporate and strategic goals as defined by our Board of

Generally, determinations of individual performance at the executive officer level are based on a holistic evaluation of the ex taking into account department and functional goals which are aligned with the broader corporate and strategic goals of the c Committee believes that successful execution against these goals is an essential way to enhance long-term stockholder value. and responsibilities and job criticality are also considered.

The Compensation Committee generally relies upon its judgment and not upon rigid guidelines or formulas in determining th compensation elements for each executive officer, particularly with respect to base salary determinations and overall levels o compensation. However, as set forth below, bonus awards under our Executive Bonus Plan are formulaic in that the target an opportunities are established, as is the extent to which bonuses are awarded based on the achievement of pre-established com of our Named Executive Officers other than our CEO, on individual performance. In addition, since 2011 for reasons describ Principal Elements of Compensation Long Term Equity Awards, the Compensation Committee has delivered annual sto options to purchase shares of our common stock and RSU awards that may be settled for shares of our common stock, with o approximately 50% of the overall value of the equity awards granted and with RSU awards comprising the other approximate stock option equivalent value is determined for each executive officer role after the Compensation Committee reviews peer g is then divided in half, and approximately 50% of the value as of the calculation date shortly preceding the applicable grant d granted in the form of options and approximately 50% of the value is allocated to be granted in the form of RSUs. In each ca determined based on an approximation of grant date fair value, using the Black Scholes methodology for stock options and a reflect the increased value of receiving shares at full value without the payment of an exercise price). This 50/50 mix is based and retaining top performers and reflects a balanced approach between options, a more leveraged equity instrument that help and RSU awards, that serve as an effective retention vehicle even in periods of volatility.

Role of Executive Officers

Our CEO makes recommendations to the Compensation Committee with respect to base salary levels, target annual cash inc individual performance assessments, and the amount of long-term equity awards to be granted to our executive officers (othe own compensation) in consultation with Compensia and our Executive Vice President, Human Resources. In addition, our E Human Resources supports the Compensation Committee in its work, including preparation of historical and prospective exe review of peer group data and biotechnology market practices, and research in response to technical Compensation Committ described above, neither the CEO nor any other executive officers take part in the Compensation Committee s decisions reg compensation.

Role of Compensation Consultant

Under its charter, the Compensation Committee has the authority, in its sole discretion, to retain (or obtain the advice of) any legal counsel or other adviser to assist it in the performance of its duties and responsibilities. Pursuant to this authority, the C has engaged Compensia, Inc., a national compensation consulting firm, for support on matters related to the compensation of Compensation Committee has retained Compensia since it has found Compensia s work to be thorough and objective.

In 2017, the Compensation Committee analyzed whether the work of Compensia as a compensation consultant has raised any into consideration the following factors: (i) the provision of other services to our company by Compensia; (ii) the amount of to Compensia as a percentage of the firm s total revenue; (iii) Compensia s policies and procedures that are designed to pre (iv) any business or personal relationship of Compensia or the individual compensation advisors employed by the firm with a company; (v) any business or personal relationship of the individual compensation advisors with any member of the Compen (vi) any stock of the Company owned by the individual compensation advisors employed by the firm. The Compensation Co on its analysis of the above factors, that the work of Compensia and the individual compensation advisors employed by Com consultants to our company has not created any conflict of interest.

Base salary and annual target bonus decisions made in January 2017 were made after considering the compensation provided Compensia s previously provided competitive market analysis with respect to our January 2016 peer group. The base salary Compensation Committee in making the January 2017 base salary decisions were aged by applying an annualized 3% increa group data. Compensia was again retained by the Compensation Committee in August 2017 to provide an updated competiti base salary, annual cash incentive awards, and long-term incentive compensation of our executive officers compared against group and to review other market practices and trends. This market analysis was reviewed with the Compensation Committe decisions regarding the August 2017 grants of long term equity awards in the form of options and RSUs. These data were als and cash incentive targets in January 2018.

Competitive Positioning

The Compensation Committee reviews our peer group periodically to reflect changes in market capitalization and other facto and revises the companies included in the peer group accordingly.

The peer group used by the Compensation Committee when making salary and bonus target compensation decisions in Janua that resulted from Compensia s analysis in January 2016 that was approved by the Compensation Committee, with input provided by senior management and Compensia at that time, and cons

Acorda Therapeutics, Inc.	BioMarin Pharmaceutical Inc.	Kite Pharma, Inc.
Agios Pharmaceuticals, Inc.	Clovis Oncology, Inc.	Medivation, Inc.
Alexion Pharmaceuticals, Inc.	Genomic Health, Inc.	Puma Biotechnol
Alkermes plc	Incyte Corporation	Ultragenyx Pharm
Alnylam Pharmaceuticals, Inc.	Intercept Pharmaceuticals, Inc.	United Therapeut
ARIAD Pharmaceuticals, Inc.	Juno Therapeutics, Inc.	Vertex Pharmaceu

The compensation peer group used by the Compensation Committee to review compensation in August 2017 was approved b Committee, with input provided by senior management and Compensia, and included biotechnology and pharmaceutical com the Company with respect to revenue, market capitalization, headcount, development and commercialization stage and produ each case, as of the date this analysis was performed, these twenty peer companies had a median market capitalization of app compared to our market capitalization of approximately $9 billion, median 12-month revenue through June 30, 2017 of appro compared to our 12-month revenue through June 30, 2017 of approximately $429 million, and a median of 456 employees, a employees. This peer group consisted of:

ACADIA Pharmaceuticals	Clovis Oncology, Inc.	Kite Pharma, Inc.
Agios Pharmaceuticals, Inc.	Exelixis	Puma Biotechnol
Alexion Pharmaceuticals, Inc.	Incyte Corporation	Tesaro
Alkermes plc	Intercept Pharmaceuticals, Inc	Ultragenyx Pharm
Alnylam Pharmaceuticals, Inc.	Ionis Pharmaceuticals	United Therapeut

BioMarin Pharmaceutical Inc.	Jazz Pharmaceuticals	Vertex Pharmace
Bluebird bio	Juno Therapeutics, Inc.	

Principal Elements of Compensation

Our executive compensation program currently consists of four principal components: base salary, annual cash incentive awa Compensation Committee), long-term equity awards, currently in the form of stock options and RSU awards which are subje and performance-based incentive awards. The Compensation Committee seeks to ensure the aggregate level of pay across all total cash, annual, long-term incentives and performance-based incentives) is meeting our desired compensation objectives fo

Base Salary

We use base salaries to attract and retain talented executives. The Compensation Committee establishes the base salaries for executive officers based on the underlying scope of their respective responsibilities, after taking into account competitive ma reviewing the base salaries paid by our peer group for similar positions. The base salary for each executive officer is initially basis by first referencing the 50th percentile for similarly positioned executives based on the peer group data, and then by adj including individual performance, changes in job duties and

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responsibilities, compensation relative to our other executive officers, budget considerations, scope and criticality of role, and
Typically, annual base salary adjustments are effective February 1 of each year.

Annual Cash Incentive Awards

We have adopted an Executive Bonus Plan, which provides cash incentives designed to reward each executive officer for our
such officer s individual contributions and performance toward achieving key corporate goals. The performance metrics aga
officers are measured are clearly communicated, measureable and consistently applied. The corporate goals are generally app
Committee near the beginning of each year, but the Compensation Committee reserves the right to modify these goals to refl
circumstances.

In making its assessment regarding the extent to which the corporate performance objectives for the year have been achieved
Committee considers both the extent to which the objectives have been achieved or exceeded as well as the difficulty of each
achieved compared to any objectives that were not achieved and any significant additional achievements that were not conte
the performance year. The Compensation Committee also assesses performance on an overall basis. The corporate payout fa
process is then used to calculate the corporate portion of each executive officer s annual bonus payout.

Our CEO assesses the other executive officers contributions to the corporate goals, and makes a recommendation to the Co
respect to the individual performance percentage. The factors considered by the CEO in making this determination include a
performance, the criticality of the executive officer s role in achieving corporate deliverables, the executive officer s contri
goals and the achievement of individual or departmental goals. The Compensation Committee reviews the CEO s recomme
performance factors for each executive officer and then makes a final determination of the individual performance percentag
No individual performance factor is determined for the CEO since his annual cash incentive award is based entirely on the co
discussed above.

The weighting between the corporate performance percentage and the individual performance percentage used for determinin
awards is determined for each executive officer based on his or her position is as set forth in the table below. The Compensat
that greater weighting of the corporate goals should apply to our CEO and our former Chief Operating Officer than our other
because their positions and responsibilities give them more opportunity to significantly impact overall corporate performance
Dr. Siegall, the corporate performance percentage is 100% and the individual performance percentage is 0%, with respect to
corporate performance percentage was 80% and the individual performance percentage was 20%, and with respect to each of
Dr. Drachman, Dr. Himes and Ms. Liu, the corporate performance percentage is 60% and the individual performance percent

The target annual cash incentive award opportunity (expressed as a percentage of base salary) for each executive officer is de
Compensation Committee after referencing the bonus targets for similarly positioned executives in our peer group.

The corporate performance percentage and individual performance percentage (weighted as described above) are then multip
cash incentive award opportunity (expressed as a percentage of base salary) for each executive officer to determine the actua
award.

Corporate and individual performance goal achievement is targeted at 100%.The achieved corporate performance percentage
individual performance percentage may exceed 100% in the event

we and/or the executive officer exceed expected goals, provided that neither percentage may exceed 150%. Accordingly, eac annual cash incentive award opportunity under the Executive Bonus Plan is capped at 150% of the target bonus amount, and officer must achieve at least a 50% individual performance percentage to receive a bonus award under the Executive Bonus I whose annual cash incentive award is based solely on the achievement of our corporate goals).

Long-Term Equity Awards

We offer long-term incentive compensation in the form of equity awards to our executive officers to align their incentives wi creation. Generally, a significant equity award is granted at the time an executive officer commences employment. Thereafte granted at varying times and in varying amounts in the discretion of the Compensation Committee, but are generally granted executive officer is promoted, provided with a retention grant, or recognized for outstanding performance or in the case of pe awards.

The equity awards granted to our executive officers include options to purchase shares of our common stock and RSU award shares of our common stock. The Compensation Committee believes that, while both stock options and RSU awards enable c benefit, like stockholders, from any increases in the value of our common stock, stock options deliver future value only if the increases above the exercise price and thereby provide incentives for our executive officers to increase the value of our comm term. Because stock options generally vest over four years, they also provide a long-term retention incentive. The Compensa awards because they are less dilutive to our stockholders, as fewer shares of our common stock are granted to achieve an equ stock options, and because, relative to options, RSUs are an effective retention tool even in a case in which our trading price option exercise prices. Generally, each RSU award granted vests in full on the third-anniversary of the date of grant, subject the awards are designed to provide a long-term retention incentive.

Generally, the value of proposed annual equity awards for each named executive officer are determined first by referencing t compensation peer group and then adjusted based on individual performance, contributions to corporate and strategic goals, c retention value of the executive officer s total equity holdings, and an assessment of the scale and business criticality of the

The options to purchase shares of our common stock granted to our Named Executive Officers generally vest as to 25% of th anniversary of the grant date and as to 1/36th of the remaining shares each month thereafter until such grant is fully vested or the grant date. Such options are also subject to vesting acceleration as described under Post-Employment Compensation

Generally, upon hiring an executive officer, an equity award will be granted on the fifteenth day of the month following the r employment (or first business day thereafter). Annual equity awards to all executive officers are granted at regularly schedule Compensation Committee and are generally made in August. We do not have any program, plan or practice to time stock aw officers or other employees in coordination with the release of material, non-public information.

The exercise price of our options to purchase shares of our common stock must be equal to the fair market value (our closing Select Market) of our common stock on the date of grant.

Performance-Based Incentive Awards

From time to time as it determines appropriate, the Compensation Committee may grant additional long-term cash or equity intended to drive attainment of key performance goals over a multi-year period. In 2017, the Compensation Committee appro program designed to incentivize achievement of regulatory approvals for enfortumab vedotin and tisotumab vedotin, two key company milestones plan are based on the approximate full year bonus target applicable for each individual executive s grade level. The Compen this approach to setting target value because the Compensation Committee previously used the same approach with respect to it previously approved in 2010 and 2016, and continues to see this approach as an effective means to reach its incentive and r This program is described further below under 2017 Compensation Decisions for the Named Executive Officers Perform

Until February 2018, we also maintained a third special long-term incentive program that offered cash and equity awards tha payable, or subject to grant, as applicable if we achieved designated performance goals relating to SGN-CD33A. No paymen program, and it was terminated in February 2018, as a result of our decision to discontinue the phase 3 CASCADE clinical tr frontline older acute myeloid leukemia patients.

2017 Compensation Decisions for the Named Executive Officers

We believe that 2017 was a productive year for us due in part to the successful ECHELON-1 topline data release, progress o trials of ADCETRIS and pivotal trials of enfortumab vedotin and tisotumab vedotin, and the additional progress we made ad development pipeline projects, as described above under the heading Executive Summary.

Base Salary

The following table sets forth the base salaries effective for each of our Named Executive Officers that were approved by the in January 2017 and became effective as of and the percentages that their base salaries were increased from their 2016 base s

Named Executive Officer	2016 Base Salary($)	2017 Base Salary($
Dr. Siegall	855,750	890,000
Mr. Simpson	476,900	493,600
Dr. Drachman	512,200	531,450
Dr. Himes	460,000	478,400
Ms. Liu	442,950	463,500
Mr. Dobmeier	455,272	472,350

In January 2017, the Compensation Committee approved a merit increase of 4% to our CEO s base salary in recognition of achievement of our strong corporate performance and following its analysis of competitive market data based on the peer gro determining base salary for Dr. Siegall and each of the executive officers below, the Compensation Committee first referenc then adjusted for other factors including the aspects of individual performance further described below.

With respect to Mr. Simpson, the Compensation Committee focused on his leadership in our finance, investor relations, and functions. In January 2017, the Compensation Committee approved a merit increase of 3.5% to Mr. Simpson s base salary.

With respect to Dr. Drachman, the Compensation Committee focused on his leadership in research and development. In Janu Compensation Committee approved a merit increase of 3.76% to Dr. Drachman s base salary.

With respect to Dr. Himes, the Compensation Committee focused on his leadership in technical operations and manufacturin Compensation Committee approved a merit increase of 4% to Dr. Himes base salary.

With respect to Ms. Liu, the Compensation Committee focused on her leadership in legal affairs and transactional matters. In Compensation Committee approved a merit increase of 4.64% to Ms. Liu s base salary.

With respect to Mr. Dobmeier, the Compensation Committee focused on his oversight of the Company s operations, corpora investor relations initiatives and his contribution to our business development activities. In January 2017, the Compensation merit increase of 3.75% to Mr. Dobmeier s base salary. Mr. Dobmeier transitioned from an 85% of full-time schedule to a fu September 1, 2017.

Annual Cash Incentive Awards

The target annual cash incentive award opportunities for our Named Executive Officers for 2017 are set forth in the table bel based on market data from our 2016 peer group for similar positions. There were no changes from 2016 targets (as a percenta the Compensation Committee determined that such target percentages continued to be appropriate.

Named Executive Officer	**Target Annual Cash Ince Award Opportunity (percentage of base salary)**
Dr. Siegall	100%
Mr. Simpson	50%
Dr. Drachman	50%
Dr. Himes	50%
Ms. Liu	45%
Mr. Dobmeier	50%

The corporate performance goals established under the Executive Bonus Plan in 2017 were primarily based on sales of ADC development and clinical activities related to ADCETRIS, SGN-CD33A, enfortumab vedotin and our additional product can development and expansion of operations, expense management and stock performance, all of which the Compensation Com relate to the creation of stockholder value. Our performance goals in 2017 were as set forth below. The ADCETRIS goal was SGN-CD33A goal was weighted at 20%, the enfortumab vedotin goal was weighted at 12.5%, the pipeline goal was weighte operations goals were weighted at 17.5%. An additional goal with respect to tisotumab vedotin was also considered.

The ADCETRIS goal included the following targets:

- achieving sales goals established by the Board of Directors in the United States and Canada;
- meeting commercial manufacturing supply chain goals;
- submitting a cutaneous T-cell lymphoma (CTCL) (ALCANZA) sBLA submission to the FDA and pre launch in early 2018;
- preparing for frontline expansion activities relating to ECHELON-1 including topline data release, prese conferences and sBLA submission within six months of topline data;

preparing for frontline expansion activities relating to ECHELON-2 including submission planning and i
opportunities for increased CD30 testing in T-cell lymphomas; and

developing a joint ADCETRIS + nivolumab (OPDIVO) combination strategy with BMS.

The SGN-CD33A goal included the following targets:

achieving enrollment goals in our phase 3 CASCADE clinical trial of SGN-CD33A;

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achieving certain manufacturing goals;

resolving the clinical hold and initiating certain additional studies; and

achieving certain trial initiation and enrollment goals relating to study of SGN-CD33A in myelodysplasti

The enfortumab vedotin goal included the following targets:

enrolling the first patient in a pivotal phase 2 clinical trial for patients with locally advanced or metastatic been previously treated with CPI therapy;

achieving certain manufacturing goals in collaboration with Astellas;

advancing additional clinical goals in collaboration with Astellas; and

developing and implementing a comprehensive development strategy, including initiation of a CPI comb

The product pipeline included the following targets:

achieving goals related to clinical trials in SGN-LIV1A, SGN-CD19A, SGN-CD19B, SEA-CD40, SGN- SGN-CD352A;

initiating a phase 1 trial of SGN-2FF;

submitting INDs for new programs; and

achieving specific research goals relating to technology development.

The business and operations goals included the following targets:

completing site selection, financial negotiations and facility plan for our own manufacturing facility;

achieving certain EU expansion goals including with respect to advisory boards and presence at The Euro Association (EHA) and European Society for Medical Oncology (ESMO);

completing certain business development transactions;

- hiring key employees to plan and minimizing employee attrition;
- managing expenses to budget; and
- achieving stock performance relative to appropriate biotechnology indices.

In August 2017, in light of the company s anticipated decision to exercise our option to co-develop tisotumab vedotin with G
goal with respect to this program. This goal did not replace any other goals, but rather was an additional goal, and was not gi
purposes of the Executive Bonus Plan:

- complete cross functional diligence and make decision on whether to opt in with respect to co-developme
under the collaboration agreement with Genmab;
- in the event of opt in, establish governance and team structure and agree to a joint development plan with
development of tisotumab vedotin; and
- support Genmab to initiate a phase 2 pivotal study for patients with recurrent and/or metastatic cervical c

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The Compensation Committee determined that we met the majority of our performance goals for 2017. Specifically, the Con determined that we met or exceeded all of the goals with respect to ADCETRIS, enfortumab vedotin and tisotumab vedotin. Committee determined that we also met all of our goals relating to our pipeline, except with respect to SGN-CD123A and SC meet the timing set forth in the goals, and that we met or exceeded all goals relating to our business and operations with the e development goals that were partially achieved, and our stock performance goal, which was not achieved. However, the Con determined that none of our goals with respect to SGN-CD33A were achieved as a result of the Company s decision to disco CASCADE clinical trial of SGN-CD33A in frontline older acute myeloid leukemia patients and suspend the development of further evaluation. The Compensation Committee considered the fact that this goal was not achieved in determining the total achievement. The 2017 performance goals were aggressive and set at challenging levels such that the attainment of executive incentive award opportunities was not assured at the time they were set and would require a high level of effort and executio executive officers in order to achieve the goals. In light of the strong performance with respect to our goals other than those r achievement of the tisotumab vedotin goals despite having less than a full year to do so, and the challenging nature of the go Committee determined our corporate performance percentage to be 105% for 2017.

For 2017, based on the Compensation Committee s evaluation of individual performance as well as individual executive co goal achievement and our strong performance in 2017, the individual performance factors for our Named Executive Officers 115% for Dr. Himes, 110% for Mr. Simpson and Ms. Liu and 95% for Dr. Drachman. The Compensation Committee did not performance factor for Mr. Dobmeier, as his last day of employment was December 14, 2017 and he was therefore ineligible the Executive Bonus Plan. Dr. Siegall s overall annual cash incentive award percentage was 105%, equaling a 2017 annual c $934,500, Mr. Simpson s overall annual cash incentive award percentage was 107%, equaling a 2017 annual cash incentive Dr. Drachman s overall target annual cash incentive award percentage was 101%, equaling a 2017 annual cash incentive aw overall target annual cash incentive award percentage was 109%, equaling a 2017 annual cash incentive award of $260,728, annual cash incentive award percentage was 107%, equaling a 2017 annual cash incentive award of $223,175.

Long-Term Equity Awards

In line with our typical practice, the equity awards granted to our executive officers in 2017 included a 50/50 combination of of our common stock and RSU awards that may be settled for shares of our common stock.

In August 2017, the Compensation Committee considered the grant of annual equity awards to our executive officers after re market analysis prepared by Compensia and referencing the 50th percentile for each role, the recommendations of our CEO b their individual performance, the executive officer s prior grant levels and the extent to which the executive officer is curren awards, scope and criticality of role and parity among executives in roles of a given level.

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The table below shows the number of shares subject to the stock options and RSU awards granted to our Named Executive C
(other than pursuant to the special EV/TV LTIP described separately below), as well as the total grant date fair value of these
date of grant.

Named Executive Officer	Options to Purchase Shares of our Common Stock (#)	RSU Awards for Shares of our Common Stock (#)
Dr. Siegall	168,000	67,200
Mr. Simpson	57,500	23,000
Dr. Drachman	67,500	27,000
Dr. Himes	50,000	20,000
Ms. Liu	42,500	17,000
Mr. Dobmeier	87,500	35,000

(1) The amounts in this column represent the aggregate full grant date fair value of stock options and RSUs granted in Au
with FASB ASC Topic 718 with no estimate for future forfeitures. For information regarding the assumptions used in
with respect to stock options, see Note 15 of the Notes to the Consolidated Financial Statements included in our Annua
the year ended December 31, 2017.

The options to purchase shares of our common stock granted to our Named Executive Officers in 2017 vest as to 25% of the
upon the first anniversary of the grant date and as to 1/36th of the remaining shares subject to the option each month thereaft
vested on the fourth anniversary of the grant date. Such options are also subject to vesting acceleration as described under
Compensation below.

The exercise price of the options granted to our executive officers in 2017 equaled the fair market value of our common stoc
Nasdaq Global Select Market, on the date of grant.

RSU awards granted to our Named Executive Officers in 2017 vest in full on the third anniversary of the grant date, subject t
described under Post-Employment Compensation below.

Performance-Based Incentive Awards

On September 29, 2017, the Compensation Committee approved the EV/TV LTIP for the purpose of incentivizing the Comp
regulatory approvals of (i) enfortumab vedotin, a product candidate currently being co-developed by the Company and Astel
collaboration and license agreement with Astellas (the EV Collaboration Agreement), and (ii) tisotumab vedotin, a produc
co-developed by the Company and Genmab under the Company s collaboration and license agreement with Genmab (the T

Under the EV/TV LTIP, each Named Executive Officer is eligible to receive a cash award and an RSU award that may be se
common stock.

The Compensation Committee designed the EV/TV LTIP to include an award to executive officers that is 50% cash and 50%
term nature of the goal and the additional retentive value that can be provided by RSU awards.

A portion of each cash award will become payable, and a portion of each RSU award will be granted, only upon certification
Committee that the FDA has approved enfortumab vedotin (such approval, the EV Approval Milestone), and the remainin
will become payable, and the remaining portion of each RSU award will be granted, only upon certification by the Compens

Committee that the FDA has approved tisotumab vedotin (such achievement, the TV Approval Milestone and together wi the Milestones), provided in each case that the Named Executive Officer is still actively employed by the Company. The selected these milestones because of their importance to our long-term business strategy and have the potential, if achieved, t stockholder value. Any RSU awards granted due to achievement of a Milestone will vest on the second anniversary of the oc provided that the Named Executive Officer s continuous service with the Company or any of its subsidiaries has not termina The vesting of any granted RSU awards is subject to full acceleration in the event of a termination of service (without cause termination) immediately prior to, or within twelve months after, a change of control of the Company, or in the event an acqu of the Company fails to assume the RSU awards. If a Milestone is not achieved by a specified date, then no cash or RSU awa with respect to such Milestone. In addition, in the event that the Company exercises its right to terminate its co-funding oblig enfortumab vedotin under the EV Collaboration Agreement (an EV Opt-Out) prior to the achievement of the EV Approva tisotumab vedotin under the TV Collaboration Agreement (a TV Opt-Out) prior to the achievement of the TV Approval M awards will be paid or granted with respect to such Milestone. If both an EV Opt-Out and a TV Opt-Out occur, then the EV/ terminate on the later to occur of the date of the EV Opt-Out and the date of the TV Opt-Out. Likewise, the EV/TV LTIP wil neither Milestone is achieved by a specified date. Any RSU awards provided pursuant to the EV/TV LTIP will be granted un terms of, the Restated 2007 Plan.

The total target award value (expressed in dollars) for an employee with respect to the cash award and restricted stock unit a Award Value), is set pursuant to the terms of the EV/TV LTIP based on the employee s position level with the Company o earlier of the date that the EV BLA is submitted to the FDA and the date that the TV BLA is submitted to the FDA. The targ based on the approximate full year bonus target applicable for each individual executive s grade level. The Compensation C approach to setting target value because the bonus target values were developed based on peer group data, and because we pr approach with respect to previously established long-term incentive plans in 2010 and 2016. Actual award values, on a slidin the Target Award Value, are calculated based on the dates of achievement of each Milestone.

The amount of cash paid, if any, with respect to the EV Approval Milestone for the Named Executive Officers will be equal Target Award Value, multiplied by a specified percentage with respect to such Milestone, multiplied by the applicable earn c sliding scale. The amount of cash paid, if any, with respect to the TV Approval Milestone for executive officers will be equa Target Award Value, multiplied by a specified percentage with respect to such Milestone, multiplied by the applicable earn c sliding scale. The number of restricted stock units granted, if any, with respect to the EV Approval Milestone for executive o of the participant s Target Award Value, multiplied by a specified percentage with respect to such Milestone, multiplied by percentage from the sliding scale, with the product of these numbers then divided by the closing price of the Company s co grant. The number of restricted stock units granted, if any, with respect to the TV Approval Milestone for executive officers participant s Target Award Value, multiplied by a specified percentage with respect to such Milestone, multiplied by the ap from the sliding scale, with the product of these numbers then divided by the closing price of the Company s common stock specified percentages with respect to the Milestones together equal 100%. The Target Award Values for our Named Executi on consideration of the value of these programs to the Company and the overall cash incentive targets for our executive offic

The Target Award Values for our Named Executive Officers are as follows:

Named Executive Officer		Target Award Va ($)
Dr. Siegall	$	890,0
Mr. Simpson	$	250,0
Dr. Drachman	$	250,0
Dr. Himes	$	250,0
Ms. Liu	$	200,0
Mr. Dobmeier (1)	$	250,0

(1) Mr. Dobmeier is not eligible to receive any performance based awards under the EV/TV LTIP because his last day of e Company was December 14, 2017 and no performance milestones under this LTIP had been achieved as of that date.

Health and Welfare Benefits

All of our Named Executive Officers are eligible to receive our standard employee benefits, such as our Section 401(k) plan, coverage, short-term disability, long-term disability, group life insurance, cafeteria plan, and the ESPP, in each case on the sa employees, including the matching contributions provided under our Section 401(k) plan. We make a matching contribution employee s salary deferral contribution up to 6% of the employee s compensation, subject to the applicable statutory limit. subject to a vesting period of four years, with vesting occurring at a rate of 25% per year. Following four years of employme existing and future matching contributions to the Section 401(k) plan are fully vested.

Employment Agreements

We are a party to employment agreements with each of our Named Executive Officers. As further described below, when est and change of control provisions in our agreements with our Named Executive Officers, the Compensation Committee consi

Post-Employment Compensation

We provide severance benefit protection to our Named Executive Officers through our individual employment agreements w

The Compensation Committee believes these severance payments and benefits are important from a retention perspective to protection to our executive officers from having their employment terminated without cause or constructively terminated pri control of the Company, or from experiencing a life-changing disability, and that the amounts are reasonable when compare adopted by other biotechnology companies. In addition, the Compensation Committee believes that these severance payment executive officer and stockholder interests by enabling them to consider corporate objectives and possible transactions that a stockholders and other constituents of the Company without undue concern over whether such objectives or transactions ma employment.

With these arrangements, the Compensation Committee sought uniformity of terms among our executive officers based on th Company, with only our CEO receiving vesting acceleration benefits solely as a result of a change in control of the Compan Compensation Committee believes that the payment-triggering event outside of the death or disability context, namely, bein or constructively terminated, and then only when there is no misconduct by the executive officer, is a fair hurdle for the ensu CEO s full acceleration of vesting of stock awards upon a change in control

of the Company is intended to reduce the concern that he may not have a comparable position in an acquiring company as a r control.

More information regarding these arrangements is provided under the heading Potential Payments Upon Termination or C Agreements.

Tax and Accounting Considerations

Deduction Limitation

Prior to December 22, 2017, when the Tax Cuts and Jobs Act of 2017 (TCJA) was signed into law, Section 162(m) of the 1986, as amended (the IRC), limited the corporate deduction of publicly traded entities for federal income tax purposes to compensation paid to certain executive officers in a calendar year. Compensation above $1 million could be deducted if it wa compensation. Under the TCJA, the performance-based exception has been repealed and the $1 million deduction limit nov the chief executive officer or the chief financial officer at any time during the taxable year, and the top three other highest co officers serving at fiscal year-end. The new rules generally apply to taxable years beginning after December 31, 2017. The T transitional guidance that will allow certain payments made under written and binding agreements entered into prior to Nove as if they were made under the provisions of Section 162(m) that were in effect prior to enactment of the TJCA.

Prior to the TCJA, the Compensation Committee had not adopted a policy requiring all executive compensation to be deduct flexibility in compensating our executive officers in a manner designed to promote our objectives. Going forward, while the intends to evaluate the effects of the revised compensation limits of Section 162(m) on any compensation it proposes to gran Committee intends to continue to provide future compensation in a manner consistent with our best interests and those of our compensation that is potentially not deductible.

Accounting Considerations

We follow Financial Accounting Standards Board ASC Topic 718 for our stock-based compensation awards. In accordance v stock-based compensation cost is measured at the grant date, or with respect to performance-based awards, the service incept estimated fair value of the awards using a variety of assumptions. This calculation is performed for accounting purposes and, the compensation tables, even though recipients may never realize any value from their awards. We expect to record this exp over the requisite employee service period. For performance-based stock options, we expect to record compensation expense period once the achievement of the performance based milestone is considered probable. At each reporting date, we assess w milestone is considered probable, and if so, record compensation expense based on the portion of the service period elapsed t milestone, with a cumulative catch-up, net of estimated forfeitures. We will recognize remaining compensation expense with any, over the remaining estimated service period. Accounting rules also require us to record cash compensation as an expens is incurred.

Stock Ownership Guidelines

Our CEO is required to own, directly or indirectly, a number of shares of our common stock with a value of not less than five December 31 of each year. As of December 31, 2017, our CEO was in compliance with this stock ownership requirement. In recommendation of the Nominating and Corporate Governance Committee, the Board adopted stock ownership guidelines re officers other than our CEO to own, directly or indirectly, a number of shares of our common stock with a value of not less than one and a half times such executive s annual base salary. Our executives are required to be in compliance wi requirement by December 31st of the fifth year following the year during which such individual becomes subject to these ow currently serving executive officers first became subject to these guidelines during 2017, and will be required to be in compli 2022. Any future executive officer will first become subject to these guidelines on the date such officer commences employn

Prohibitions on Hedging and Pledging

Pursuant to our insider trading policy, we prohibit our executive officers and the members of our Board of Directors from en speculative transactions and further prohibit them from hedging or pledging our securities as collateral.

Compensation Recovery Policy

Currently, we do not have a policy to recover incentive compensation paid to our executive officers in the event of a financia comply with the requirements of the Dodd-Frank Act and will adopt a compensation recovery policy in accordance with such SEC adopts final regulations on the subject.

As a public company subject to the provisions of Section 304 of the Sarbanes-Oxley Act of 2002, if we are required as a resu our financial results due to our material noncompliance with any financial reporting requirements under the federal securities Officer and Chief Financial Officer may be legally required to reimburse us for any bonus or other incentive-based or equity- receive.

Compensation and Risk

We believe that the risks arising from our compensation policies and practices are not reasonably likely to have a material ad Company. In addition, the Compensation Committee believes that the mix and design of the elements of executive compensa employees to assume excessive risks.

The Compensation Committee periodically reviews the elements of executive compensation to determine whether any portio compensation encourage excessive risk taking. The Compensation Committee most recently conducted this review in Januar does not. Among the factors that the Compensation Committee considered were:

- significant weighting towards long-term incentive compensation discourages short-term risk taking;
- goals are appropriately set to provide meaningful target levels that enhance stockholder value but that are quantifiab and include multiple performance measures; and
- short-term incentive awards are capped by the Compensation Committee.

Summary

The Compensation Committee believes that our compensation philosophy and programs are designed to foster a performance employees interests with those of our stockholders. The Compensation Committee believes that the compensation of our ex and responsive to the goal of improving stockholder value.

COMPENSATION COMMITTEE REPORT (1)

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis required by S-K with management and, based on such review and

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discussions, the Compensation Committee has recommended to our Board of Directors that the Compensation Discussion an this Proxy Statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Submitted by the members of the Compensation Committee:

Felix Baker, Ph.D. (chairman)

John A. Orwin

Daniel G. Welch

(1) The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporate Seattle Genetics under the Securities Act or the Exchange Act, other than in Seattle Genetics Annual Report on Form deemed to be furnished, whether made before or after the date hereof and irrespective of any general incorporation lan

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2017, the Compensation Committee consisted of Felix Baker (chairman), John A. Orwin and Daniel G. Welch, none former officer or employee of Seattle Genetics. Please refer to the section of this proxy statement entitled Certain Relations Transactions for information concerning certain transactions involving entities affiliated with Dr. Baker.

During 2017, no member of the Compensation Committee or executive officer of Seattle Genetics has or had a relationship t interlocking relationship with executive officers or directors of another entity.

SUMMARY COMPENSATION TABLE

The following table sets forth all of the compensation awarded to, or earned by, our Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1) (2)	Option Awards ($) (1) (3)	Non-Equ Incentive I Compensa ($) (4)
Clay B. Siegall, Ph.D.	2017	887,146		3,561,064(6)	3,217,921	934,5
President and CEO	2016	852,354		3,686,600	4,015,160	985,0
	2015	813,457	603	2,505,600	2,524,405	1,018,7
Todd E. Simpson	2017	492,208		1,191,510(6)	1,101,374	264,0
Chief Financial Officer	2016	475,371		935,400	1,026,148	269,5
	2015	457,254	1,776	665,550	670,549	268,2
Jonathan Drachman, M.D.	2017	529,846		1,376,990(6)	1,292,916	268,3
Chief Medical Officer	2016	510,167		1,433,700	1,534,003	294,6
	2015	486,233	220	783,000	788,879	304,8
Vaughn B. Himes, Ph.D.	2017	476,867		1,052,400(6)	957,716	260,7
Chief Technical Officer	2016	441,138		1,292,780	939,330	246,9
	2015	407,337		587,250	591,658	226,1
Jean Liu.	2017	461,788		888,290(6)	814,060	223,1
General Counsel and	2016	440,492		774,500	846,992	225,3
Executive Vice President,	2015	399,829		548,100	552,217	217,6
Legal Affairs						
Eric L. Dobmeier	2017	473,453(7)	1,500(8)	1,747,950(6)	1,676,003	
Former Chief Operating	2016	453,639(7)		1,433,700	1,534,003	261,8
Officer	2015	419,045(7)	276	743,850	749,435	312,6

(1) The amounts in the Stock Awards and Option Awards columns do not represent amounts the Named Executive O receive. Rather, the reported amounts represent the aggregate fair value of awards computed in accordance with FASB required to be disclosed under SEC rules. The reported amounts do not reflect the risks that potential RSUs to be grante upon the satisfaction of performance conditions may not be granted because the applicable performance conditions are

(2) The amounts in this column include the aggregate grant date fair value of non-performance based RSUs granted during accordance with FASB ASC Topic 718 with no estimate for future forfeitures, which value, for non-performance based closing price of our common stock on the date of grant. Please see Compensation Discussion and Analysis above an Awards below for more information regarding the RSUs we granted to the Named Executive Officers in 2017. For 20 column also include the fair value of potential RSUs to be granted under the EV/TV LTIP see footnote (6) below.

(3) The amounts in this column represent the aggregate grant date fair value of stock options granted during the relevant ye FASB ASC Topic 718 with no estimate for future forfeitures. For information regarding the assumptions used in calcu Note 15 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the ye 2017.

(4) The amounts in this column reflect the cash bonus awards to the Named Executive Officers under our Executive Bonus performance-based cash incentives under the ECHELON-1 LTIP (as defined below) and the EV/TV LTIP (as defined

the table as they have not yet been earned. Please see Grants of Plan Based Awards below and Compensation Disc
more information on these potential future cash payments.

(5) The amounts in this column consist of life insurance premiums and company matching contributions to our 401(k) plan Officers and, solely with respect to Dr. Siegall, the full cost of companion travel for a sales-award trip with the top AD grossed up for related payroll taxes. With respect to Mr. Dobmeier, the amount in this column also includes amounts p Mr. Dobmeier s resignation from the Company in December 2017, consisting of a payout of accrued vacation of $52,9 certain COBRA premiums and related tax gross up ($3,649).

(6) For 2017, the reported amount includes the fair value of potential RSUs to be granted under the EV/TV LTIP as compu FASB ASC Topic 718 with no estimate for future forfeitures. Under FASB ASC Topic 718, the grant date will not be potential RSUs until the settlement date for the awards after performance has been completed. As a result, the amounts awards, which have not yet been granted, represent the fair value on the service inception date (i.e., the date the Compe approved the EV/TV LTIP), based upon the then-probable outcome of the performance conditions. For these purposes, potential RSUs was computed based on the Target Award Value for these awards, which was $445,000 for Dr. Siegall, Mr. Simpson, Dr. Drachman and Dr. Himes, $100,000 for Ms. Liu, $125,000 for Mr. Dobmeier. The fair value at the s these awards, assuming the maximum level of performance, would be $534,000 for Dr. Siegall, $150,000 for each of M and Dr. Himes, $120,000 for Ms. Liu, and $150,000 for Mr. Dobmeier. Please see Compensation Discussion and Ana Decisions for Named Executive Officers Performance-Based Incentive Awards above and Grants of Plan-Based Aw information about the EV/TV LTIP.

(7) Mr. Dobmeier s 2015, 2016 and 2017 salaries are prorated to reflect 85% of full-time through August 31, 2017, and th partial year of service. In addition, Mr. Dobmeier was not eligible to receive any cash bonus awards under our Executi last day of employment with the Company was December 14, 2017.

(8) This amount consists of a fifteen year work anniversary bonus paid to Mr. Dobmeier.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth each equity and non-equity award granted to our Named Executive Officers during 2017.

Name	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Stock Awards: Number of Shares of Stock or Units (#)	All Ot Optio Awar Numbe Securi Underl Optio (#)
		Target ($)	Maximum ($)	Target ($)	Maximum ($)		
Clay B. Siegall, Ph.D.							
Annual Bonus Plan (3)	N/A	890,000	1,335,000				
EV-TV LTIP Cash Award (4)	N/A	445,000	534,000				
EV-TV LTIP RSU Award (5)	9/29/2017			445,000	534,000		
Discretionary Stock Option Award (6)	8/17/2017						168,
Discretionary RSU Award (7)	8/17/2017					67,200	
Todd E. Simpson							
Annual Bonus Plan (3)	N/A	246,800	370,200				
EV-TV LTIP Cash Award (4)	N/A	125,000	150,000				
EV-TV LTIP RSU Award (5)	9/29/2017			125,000	150,000		
Discretionary Stock Option Award (6)	8/17/2017						57,
Discretionary RSU Award (7)	8/17/2017					23,000	

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Name	Grant Date (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target ($)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Target ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Maximum ($)	All Other Stock Awards Number of Shares of Stock or Units (#)	All Ot Opti Awar Numb Securi Underl Optio (#)
Jonathan Drachman, M.D.							
Annual Bonus Plan (3)	N/A	265,725	398,588				
EV-TV LTIP Cash Award (4)	N/A	125,000	150,000				
EV-TV LTIP RSU Award (5)	9/29/2017			125,000	150,000		
Discretionary Stock Option Award (6)	8/17/2017						67,5
Discretionary RSU Award (7)	8/17/2017					27,000	
Vaughn B. Himes, Ph.D.							
Annual Bonus Plan (3)	N/A	239,200	358,800				
EV-TV LTIP Cash Award (4)	N/A	125,000	150,000				
EV-TV LTIP RSU Award (5)	9/29/2017			125,000	150,000		
Discretionary Stock Option Award (6)	8/17/2017						50,0
Discretionary RSU Award (7)	8/17/2017					20,000	
Jean Liu							
Annual Bonus Plan (3)	N/A	208,575	312,863				
EV-TV LTIP Cash Award (4)	N/A	100,000	120,000				
EV-TV LTIP RSU Award (5)	9/29/2017			100,000	120,000		
Discretionary Stock Option Award (6)	8/17/2017						42,5
Discretionary RSU Award (7)	8/17/2017					17,000	
Eric L. Dobmeier							
Annual Bonus Plan (3)	N/A	277,853	416,780				
EV-TV LTIP Cash Award (4)	N/A	125,000	150,000				
EV-TV LTIP RSU Award (5)	9/29/2017			125,000	150,000		
Discretionary Stock Option Award (6)	8/17/2017						87,5
Discretionary RSU Award (7)	8/17/2017					35,000	

(1) For purposes of this column, grant date, with respect to the potential RSUs to be granted under the EV/TV LTIP, is determined under FASB ASC Topic 718.

(2) The amounts in this column do not represent amounts the Named Executive Officers received or are entitled to receive amounts represent the fair value of each award as computed in accordance with FASB ASC Topic 718 on the applicab the service inception date, as required to be disclosed under SEC rules. The reported amounts do not reflect the risks th granted under the EV/TV LTIP upon the satisfaction of performance conditions may not be granted because the applica are not met. See also Summary Compensation Table footnote (6) for more information regarding the service incep potential RSUs to be granted under the EV/TV LTIP.

(3) The dollar amounts represent the target and maximum amounts of each Named Executive Officer s potential annual ca ended December 31, 2017, pursuant to our Executive Bonus Plan. The amount shown as target reflects the target paym Executive Bonus Plan if Seattle Genetics and each individual had achieved 100% of the specific performance objective approved by the Compensation Committee in 2017. An individual must have attained an individual performance perce receive any compensation under the Executive Bonus Plan. The amount shown as maximum

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reflects the payment level under the Executive Bonus Plan if Seattle Genetics and each individual had achieved 150% p based on the corporate goals approved by the Compensation Committee in 2017. A percentage of 150% is the maximu both Seattle Genetics and individual performance percentages. Actual payouts made under the Executive Bonus Plan d performance objectives and goals achieved. The actual cash bonus award earned for the year ended December 31, 2017 Bonus Plan for each Named Executive Officer is set forth in the Summary Compensation Table above. As such, the an columns do not represent additional compensation earned by the Named Executive Officers for the year ended Decemb Bonus Plan is discussed in greater detail under the heading Compensation Discussion and Analysis above.

(4) The dollar amounts represent the target and maximum amounts of each Named Executive Officer s potential cash awa of the plan s inception date. The amounts shown as target are based on the Target Award Value established for the app Officer under the EV/TV LTIP, and actual payment amounts will be based on a sliding scale from 0% to 120% of the a calculated based on the dates of achievement of the applicable milestone. Accordingly, the amount shown as maximum at the 120% level. The EV/TV LTIP is discussed in greater detail under the heading Compensation Discussion and A

(5) The amounts reported represent the dollar values of the target and maximum amounts of the Named Executive Officer granted under the EV/TV LTIP as of the service inception date, and do not represent the actual number of shares that w awards when granted. The grant of a portion of these RSU awards is contingent upon FDA approval of each of enfortu vedotin. The amounts shown as target are based on the Target Award Value established for the applicable Named Exec EV/TV LTIP, and actual payouts will be based on a sliding scale from 0% to 120% of the amount shown as target, as c of achievement of the applicable milestone. Accordingly, the amount shown as maximum reflects potential payout at th number of shares subject to the RSUs, if granted, will be based on the resulting dollar value divided by the closing mar stock on the date of grant. See also Summary Compensation Table footnote (6), including for additional detail on

(6) Discretionary stock options were granted under our 2007 Plan. Vesting of all of these discretionary options occurs 1/4t anniversary of the grant date and 1/36th of the remaining shares thereafter on a monthly basis until the grant is fully ves anniversary of the grant date.

(7) Discretionary RSUs were granted under our 2007 Plan. Vesting of all of these discretionary RSUs occurs in full on the grant date.

EMPLOYMENT AGREEMENTS AND ARRANGEMENTS

Employment Agreements. Each of our Named Executive Officers has entered into a written employment agreement with Se description of these employment agreements, please see the section of this proxy statement under the heading Potential Pay Change-In-Control Employment Agreements below.

Annual Cash Bonus Awards. We have adopted our Executive Annual Bonus Plan that provides for annual bonus awards to based on our achievement of specific corporate goals and their achievement of individual performance goals. For more infor Executive Annual Bonus Plan, please see the section of this proxy statement under the heading Compensation Discussion Elements of Compensation Annual Cash Incentive Awards and footnote (2) to the Grants of Plan-Based Awards table abo

Stock Awards. Discretionary options that we granted in 2017 under the 2007 Plan have a ten year term and vest as to 1/4th o options on the one year anniversary of the grant date and 1/36th of the remaining shares each month thereafter until such opti four year anniversary of the grant date, subject to the accelerated vesting of such options under the terms of each executive s agreement with us and pursuant to the 2007 Plan. Performance-based stock options that we granted in 2017 vest in accordanc the ECHELON-1 LTIP (as defined below) and were also granted under the 2007 Plan. Options granted under the 2007 Plan c to the fair market value on the date of grant (generally the closing price of our common stock on the grant date on the Nasdaq and the 2007 Plan permits the exercise price of stock options to be paid by cash, check, wire transfer, other shares of our com restrictions), broker assisted same-day sales, cancellation of debt, cashless net exercise arrangements, and any other form applicable law. If an executive s service with us terminates for any reason other than cause, death or disability, then options the 2007 Plan generally will be exercisable to the extent they are vested on the termination date for a period of three months executive s service with us terminates for cause, then the Board or the Compensation Committee has the authority to termin executive under the 2007 Plan immediately). Generally, if an executive s service with us terminates as a result of the executi the executive s death within 30 days following the executive s termination of service, all outstanding options that were vest date of the executive s death or termination of service, if earlier, may be exercised for six months following the executive s expiration date of such option. Generally, if an executive s service with us terminates as a result of the executive s disabilit they are vested and exercisable on the termination date may be exercised for one year following the termination date but in n date of such option. Each RSU represents a right to receive one share of our common stock (subject to adjustment for certain capital structure). In the event that RSUs vest, we will deliver one share of our common stock for each RSU that has vested. granted in 2017 generally vest in full on the third anniversary of the grant date, provided that vesting will cease if an executiv terminates for any reason.

Under the 2007 Plan, in the event of (i) an acquisition of Seattle Genetics by means of any reorganization, merger or consolic merger effected exclusively for the purpose of changing the domicile of the company, (ii) any sale of all or substantially all o other event specified by the plan administrator, so long as in either (i) or (ii), our stockholders of record immediately prior to than 50% of the voting power of the surviving entity and, so long as in (iii) that no change in control shall be deemed to occu commencement of a tender offer or upon a potential takeover or upon stockholder approval of a merger or other transactio requirement that the change in control actually occur, then the Board or the compensation committee may, in its discretion: (assumption or substitution of, or adjustment (including to the number and type of shares and exercise price applicable) to, ea award; (ii) accelerate the vesting of equity awards; and/or (iii) provide for termination of awards as a result of the change in c conditions as it deems appropriate, including providing for the cancellation of awards for a cash or other payment to the exec

Additionally, (i) if the successor corporation does not assume or substitute equivalent awards for all outstanding equity awar 2007 Plan, then as of the date of completion of the acquisition or merger, the vesting of such equity awards will be accelerate outstanding equity awards are assumed or equivalent awards are substituted by the successor corporation and if at the time of within twelve months after the effective time of the change of control, an equity awardee s service as an employee or consul cause or due to constructive termination, then the vesting of such substituted equity award will be accelerated in full.

For more information regarding grants of equity awards to our Named Executive Officers, please see the section of this prox headings Compensation Discussion and Analysis Principal Elements of Compensation Long-Term Equity Awards and Analysis Post-Employment Compensation above.

Long-Term Incentive Plans. In May 2016, the Compensation Committee approved the ECHELON-1 LTIP. Under the ECH employee, including each Named Executive Officer, is eligible to

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receive a cash award and an option to purchase shares of our common stock, with the amount of each cash and option award
position with the Company. The cash awards will be payable to participants in the ECHELON-1 LTIP if the Approval Miles
December 31, 2019 and will be paid following the Compensation Committee s certification of the achievement of the Appro
the participant is still actively employed by the Company and is in good standing as of the payment date. If the Approval Mil
December 31, 2019, the cash awards will be forfeited. The ECHELON-1 LTIP options, which were granted to our Named Ex
in ECHELON-1 LTIP on May 9, 2016 with an exercise price of $34.20 per share (the fair market value of our common stock
commence vesting, if at all, upon the Compensation Committee s certification of the achievement of the Approval Milestone
annual installments on the first four anniversaries of the date the Approval Milestone is achieved, subject to continuous servi
each vesting date. If the Approval Milestone is not achieved by December 31, 2019, the options will be forfeited.

In September 2017, the Compensation Committee approved the EV/TV LTIP. Under the EV/TV LTIP, each employee, inclu
Executive Officer, is eligible to receive a cash award and, and depending on the participant s position with the company, ma
award. A portion of each cash award will become payable, and a portion of each RSU award will be granted, only upon certi
Compensation Committee that the FDA has approved enfortumab vedotin, and the remaining portion of each cash award wil
remaining portion of each RSU award will be granted, only upon certification by the Compensation Committee that the FDA
vedotin, provided that the participant is still actively employed by the Company and is in good standing as of each applicable
award granted due to achievement of a milestone will vest on the second anniversary of the occurrence of such milestone, su
with the Company through the vesting date. If a particular milestone is not achieved by a specified date with respect to such
award will be made nor will an RSU award be granted with respect to such milestone.

For more information regarding the EV/TV LTIP, please see the section of this proxy statement under the Compensation D
Analysis Principal Elements of Compensation Long-Term Equity Awards and footnotes (4) and (5) to the Grants of Plan-

Other Compensatory Arrangements. Seattle Genetics pays the life insurance premium for all of its employees, including t
addition, Seattle Genetics matches 75% of the first 6% of salary contributed to Seattle Genetics 401(k) plan by employees,
officers. The matched contributions vest at 25% annually, such that employees are fully vested after four years from their dat
time, individual executives negotiate other compensatory arrangements in connection with their initial hire.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth certain information regarding equity awards granted to the Named Executive Officers that wer
December 31, 2017.

	Option Awards					
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable (2)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (3)**	**Option Exercise Price ($)**	**Vesting Commencement Date**	**Option Expiration Date**
Clay B. Siegall, Ph.D.	150,655			11.09	8/27/2008	8/27/2018
	250,000			12.16	8/25/2009	8/25/2019
	350,000			12.00	8/27/2010	8/27/2020
	300,000			15.46	8/24/2011	8/24/2021
	185,625			26.10	8/20/2012	8/20/2022
	137,500			41.04	8/19/2013	8/19/2023
	125,000	25,000		44.09	8/26/2014	8/26/2024
	93,333	66,667		39.15	8/25/2015	8/25/2025
			37,280	34.20	3/20/2018	5/9/2026
	60,000	120,000		45.30	8/27/2016	8/27/2026
		168,000		46.37	8/17/2017	8/17/2027
Total	1,652,113	379,667	37,280			
Todd E. Simpson	14,167			12.00	8/27/2010	8/27/2020
	26,867			15.46	8/24/2011	8/24/2021
	37,500			26.10	8/20/2012	8/20/2022
	36,000			41.04	8/19/2013	8/19/2023
	35,416	7,084		44.09	8/26/2014	8/26/2024
	24,791	17,709		39.15	8/25/2015	8/25/2025
			10,526	34.20	3/20/2018	5/9/2026
	15,000	30,000		45.30	8/27/2016	8/27/2026
		57,500		46.37	8/17/2017	8/17/2027

Total	189,741	112,293	10,526			
Jonathan Drachman, M.D.	10,457			8.96	3/23/2008	3/23/2018
	40,000			11.09	8/27/2008	8/27/2018
	41,777			12.16	8/25/2009	8/25/2019
	20,156			10.61	5/7/2010	5/7/2020
	65,000			12.00	8/27/2010	8/27/2020
	50,000			15.46	8/24/2011	8/24/2021
	40,000			26.10	8/20/2012	8/20/2022
	36,000			41.04	8/19/2013	8/19/2023
	41,666	8,334		44.09	8/26/2014	8/26/2024
	29,166	20,834		39.15	8/25/2015	8/25/2025
			10,526	34.20	3/20/2018	5/9/2026
	24,166	48,334		45.30	8/27/2016	8/27/2026
		67,500		46.37	8/17/2017	8/17/2027
Total	398,388	145,002	10,526			

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (2)	Option Awards Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (3)	Option Exercise Price ($)	Vesting Commencement Date	Option Expiration Date
Vaughn B. Himes, Ph.D.	56,498			12.00	8/27/2010	8/27/2020
	50,199			15.46	8/24/2011	8/24/2021
	36,169			26.10	8/20/2012	8/20/2022
	36,000			41.04	8/19/2013	8/19/2023
	31,250	6,250		44.09	8/26/2014	8/26/2024
	21,875	15,625		39.15	8/25/2015	8/25/2025
			8,333	34.20	3/20/2018	5/9/2026
	14,166	28,334		45.30	8/27/2016	8/27/2026
		50,000		46.37	8/17/2017	8/17/2027
Total	246,157	100,209	8,333			
Jean Liu.	43,166	12,834		35.95	12/1/2014	12/1/2024
	20,416	14,584		39.15	8/25/2015	8/25/2025
	12,500	25,000		45.30	8/27/2016	8/27/2026
			8,333	34.20	3/20/2018	5/9/2026
		42,500		46.37	8/17/2017	8/17/2027
Total	76,082	94,918	8,333			
Eric L. Dobmeier	20,000			44.09	8/26/2014	3/31/2018
	20,000			45.30	8/27/2016	3/31/2018
Total	40,000					

(1) The number of shares or units that have not vested and the market value of shares or units that have not vested does no
to be granted under the EV/TV LTIP, as the RSU award opportunities are denominated in dollars, and the payout, if an

RSUs based on the closing stock price of our common stock on the date of grant following the achievement of perform
the Grants of Plan-Based Awards Table above for more information regarding these awards.

(2) All of the unexercisable options set forth in this column vest at a rate of 1/4th upon the one year anniversary of the vest such award, which vesting commencement date for each award is based on the date of hire of such person for their init the grant date of such award. 1/36th of the remaining unvested shares vest on an equal monthly basis thereafter until the the fourth anniversary of the vesting commencement date.

(3) As of December 31, 2017, the options set forth in this column had not yet commenced vesting. The options commence 2018, which was the date of the achievement of the Approval Milestone. These options will vest in four equal annual i anniversaries of March 20, 2018.

(4) The market value of the RSU awards is based on the closing stock price of $53.50 per share for our common stock as r Global Select Market on December 29, 2017.

(5) RSU awards vest in full on August 25, 2018.

(6) RSU awards vest in full on August 27, 2019.

(7) RSU awards vest in full on August 31, 2019.
(8) RSU awards vest in full on August 17, 2020.

OPTION EXERCISES AND STOCK VESTED

The following table sets forth information regarding exercises of stock options and vesting of RSU awards by our Named Ex
ended December 31, 2017.

	Option Awards		
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)	Numb of Shar Acquir on Vest (#)
Clay B. Siegall, Ph.D.	187,926	9,006,278	60,00
Todd E. Simpson	N/A	N/A	17,00
Jonathan Drachman, M.D.	52,816	2,407,183	20,00
Vaughn B. Himes, Ph.D.	40,000	1,989,098	15,00
Jean I. Liu	N/A	N/A	22,40
Eric L. Dobmeier	182,803	4,226,502	18,00

(1) The value realized on exercise is calculated based on the difference between the exercise price of each option exercised our common stock on the date of exercise multiplied by the number of shares underlying each option exercised, and do amounts received by the Named Executive Officers as a result of the option exercises.
(2) The value realized on vesting is calculated based on the closing price of our common stock on the date of vest multipli underlying each award vested.

CEO PAY RATIO

Under SEC regulations, we are required to calculate and disclose the total annual compensation paid to our median employee total compensation paid to the median employee as compared to the total compensation paid to our CEO (CEO Pay Ratio) description of the methodology, including material assumptions, adjustments and estimates, we used to identify the median e calculating the CEO Pay Ratio:

We identified the median employee using our employee population as of October 31, 2017. For this purp company employees on payroll and all individuals who would receive an IRS Form 1099 from the Comp the following exclusion criteria: (i) receipt of annual payments from the Company that totaled less than t ($20,000.00); (ii) employment by another entity, such as employment as faculty of a university; (iii) 1099 generally recognizable, bona fide service provider such as a law firm or accounting firm; and (iv) 1099 re than two or more employees and has other bona fide clients.

In determining compensation for purposes of the median calculation, we used each employee s annual b and regular annual equity awards (at grant date fair value). For individuals receiving 1099s and not exclu above, the amount of compensation reflected in the individual s Form 1099 was the annual compensatio

We annualized the base salary earned in 2017 by permanent employees (full-time and part-time) hired af
Using this approach, we selected the median of our employee population. Once the median employee was identified, we then
compensation for this employee in accordance with the requirements of the Summary Compensation Table.

For 2017, the median of the annual total compensation of our employees (other than our CEO) was $162,443 and the annual
CEO was $8,616,344. The ratio of the annual total compensation of our CEO to the median of the annual total compensation
the CEO was 53:1.

The pay ratio above represents the Company s reasonable estimate calculated in a manner consistent with the rule and applic
guidance provide significant flexibility in how companies identify the median employee, and each company may use a differ
different assumptions particular to that company. As a result, as the SEC explained when it adopted the rule, in considering t
stockholders should keep in mind that the rule was not designed to facilitate comparisons of pay ratios among different comp
within the same industry, but rather to allow stockholders to better understand and assess each particular company s compen
disclosures.

Neither the Compensation Committee nor our management used our CEO Pay Ratio measure in making compensation decisi

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The following table reflects the potential payments and benefits to which the Named Executive Officers would be entitled un
employment agreement with Seattle Genetics and our ECHELON-1 LTIP, in the event of termination or change-in-control o
amounts shown in the table below assume that each termination or event was effective as of December 31, 2017 and that all c
under the respective agreement were satisfied.

	Involuntary Termination (1)		
Name and Principal Position	**Before or more than 12 months after a Change in Control ($)**	**Within 12 months after a Change in Control ($)**	**Upon a in Co ($)**
Clay B. Siegall, Ph.D.			
President and CEO			
Base salary continuation	890,000	1,780,000	
Lump sum bonus award payment	934,500	934,500	
Cash portion of ECHELON-1 LTIP (4)		212,500	
Health benefit continuation	15,550	31,100	
Vacation payout	63,655	63,655	
Stock award acceleration (5)	5,001,530	14,964,465	14,
Total	6,905,235	17,986,220	14,
Todd E. Simpson			
Chief Financial Officer			
Base salary continuation	493,600	493,600	
Lump sum bonus award payment	264,076	264,076	
Cash portion of ECHELON-1 LTIP (4)		60,000	
Health benefit continuation	26,375	26,375	
Vacation payout	47,222	47,222	
Stock award acceleration (5)	1,357,533	4,282,911	
Total	2,188,806	5,174,184	

	Involuntary Termination (1)		
Name and Principal Position	**Before or more than 12 months after a Change in Control ($)**	**Within 12 months after a Change in Control ($)**	**Upon a in Co ($)**
Jonathan Drachman, M.D.			
Chief Medical Officer			
Base salary continuation	531,450	531,450	
Lump sum bonus award payment	268,382	268,382	
Cash Portion of ECHELON-1 LTIP (4)		60,000	
Health benefit continuation	26,375	26,375	
Vacation payout	19,113	19,113	
Stock award acceleration (5)	1,636,848	5,524,156	
Total	2,482,168	6,429,476	
Vaughn B. Himes, Ph.D.			
Chief Technical Officer			
Base salary continuation	478,400	478,400	
Lump sum bonus award payment	260,728	260,728	
Cash portion of ECHELON-1 LTIP (4)		47,500	
Health benefit continuation	26,375	26,375	
Vacation payout	45,533	45,533	
Stock award acceleration (5)	1,201,797	4,328,297	
Total	2,012,833	5,186,833	
Jean Liu			
GC/EVP Legal Affairs			
Base salary continuation	463,500	463,500	
Lump sum bonus award payment	223,175	223,175	
Cash portion of ECHELON-1 LTIP (4)		47,500	
Health benefit continuation	26,375	26,375	
Vacation payout	44,566	44,566	
Stock award acceleration (5)	1,277,678	3,564,369	
Total	2,035,294	4,369,485	
Eric L. Dobmeier			
Former Chief Operating Officer (6)			
Base salary continuation	N/A	N/A	
Lump sum bonus award payment	N/A	N/A	
Cash portion of ECHELON-1 LTIP (4)	N/A	N/A	
Health benefit continuation	N/A	N/A	
Vacation payout	N/A	N/A	
Stock award acceleration (5)	N/A	N/A	
Total	N/A	N/A	

(1) Each employment agreement provides that in the case of involuntary termination occurring at any time prior to or 12 m control, such individual is entitled to receive either a lump-sum payment equal to 12 months of monthly base salary or accordance with Seattle Genetics standard payroll schedule, at our discretion, a lump-sum payment equal to a pro-rat annual bonus, 12 months of continued health benefits and 12 months of accelerated vesting of outstanding equity awar RSUs). In the case of involuntary termination occurring within 12 months after a change in control, each individual is months of monthly base

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salary, a pro-rated portion of such individual s annual bonus, 12 months of continued health benefits and 100% accele outstanding equity awards, except that Dr. Siegall is entitled to 24 months of base salary and 24 months of continued h the other benefits and Dr. Siegall s outstanding stock awards vest in full upon a change in control. Such severance ben the individual s resignation from all positions held by the individual and execution of a full release and waiver of clai each Named Executive Officer s employment agreement set forth below under the heading Employment Agreemen

(2) Upon a change in control, Dr. Siegall is entitled to 100% acceleration of vesting of outstanding equity awards. For a de potential equity award acceleration under the 2007 Plan that is not included in this table, please see Other Terminati

(3) Upon termination due to death or disability, each employment agreement provides for payment of the portion of any a the date of termination and any accrued but unused vacation.

(4) This reflects the cash portion of the ECHELON-1 LTIP. We have not included the cash portion of the EV/TV LTIP as upon change in control or termination.

(5) The value of equity award vesting acceleration is based on the closing stock price of $53.50 per share for our common Nasdaq Global Select Market on December 29, 2017 with respect to unvested RSUs and in-the-money unvested stock case of unvested stock option shares, minus the exercise price of the unvested option shares). We have not included the granted under the EV/TV LTIP as those awards were not outstanding as of December 31, 2017 and the payout of those acceleration upon change in control or termination.

(6) Mr. Dobmeier resigned from the Company as of December 14, 2017. In connection with his resignation from the Com received $52,964 as a payout of his accrued vacation time and $3,649 as a bonus to cover certain COBRA premiums a

Employment Agreements

In October 2001, Seattle Genetics entered into an employment agreement with Clay B. Siegall, our current President and Chi December 2008, Dr. Siegall s employment agreement was amended and restated to clarify certain existing provisions in ligh under Section 409A of the Internal Revenue Code of 1986 (Section 409A), and in October 2016, Dr. Siegall s employme provide that the accelerated vesting benefits provided for under the agreement apply to all equity awards held by Dr. Siegall provided otherwise in the applicable equity award agreement) instead of only to stock options and restricted stock awards. D restated employment agreement provides that he receive an annual base salary, which is currently set at $921,150 effective F receive an annual bonus based upon performance criteria and financial and operational results of Seattle Genetics as determi Committee of the Board of Directors under our Executive Annual Bonus Plan. Dr. Siegall is also eligible to receive addition other equity awards from time to time in the future as determined by the Compensation Committee of the Board of Directors employment is constructively terminated or terminated by Seattle Genetics without cause, he will be entitled to receive his m benefits for an additional 12 months (or 24 months if he is constructively terminated or terminated by Seattle Genetics witho after a change in control of Seattle Genetics), payable in either a lump-sum payment or in accordance with Seattle Genetics Seattle Genetics discretion, and to stock award vesting acceleration equal to an additional 12 months of vesting, as well as annual bonus earned up to the date of termination payable in a lump-sum payment. The employment agreement additionally of a change in control, all of Dr. Siegall s stock awards will become fully vested and, in the case of stock options, exercisab are conditioned upon Dr. Siegall s resignation from all positions held by Dr. Siegall and execution of a full release and waiv employment is for no specified length of time, and either he or Seattle Genetics has the right to terminate his employment at cause.

In October 2005, Seattle Genetics entered into an employment agreement with Todd E. Simpson, our current Chief Financial 2008, Mr. Simpson s employment agreement was amended and restated to clarify certain existing provisions in light of final Section 409A, and in October 2016, Mr. Simpson s employment agreement was amended to provide that the accelerated ves under the agreement apply to all equity awards held by Mr. Simpson (unless specifically provided otherwise in the applicable instead of only to stock options and restricted stock awards. Mr. Simpson s amended and restated employment agreement pr annual base salary, which is currently set at $510,900 effective February 1, 2018, and is eligible to receive an annual bonus a base salary as determined by the Compensation Committee. Mr. Simpson is also eligible to receive additional grants of stock awards from time to time in the future as determined by the Compensation Committee of the Board of Directors. If Mr. Simp constructively terminated or terminated by Seattle Genetics without cause, Mr. Simpson will be entitled to 12 months of base lump-sum payment or in accordance with Seattle Genetics standard payroll schedule, at Seattle Genetics discretion, a pro- bonus earned up to the date of termination payable in a lump-sum payment, and health benefits continuation. Additionally, in constructively terminated or terminated by Seattle Genetics without cause, he will be entitled to receive stock award vesting months of vesting. The employment agreement additionally provides that in the event Mr. Simpson is involuntarily terminate change in control of Seattle Genetics, all of Mr. Simpson s stock awards will become fully vested and, in the case of stock o severance benefits are conditioned upon Mr. Simpson s resignation from all positions held by Mr. Simpson and execution of claims. Mr. Simpson s employment is for no specified length of time, and either he or Seattle Genetics has the right to termi time with or without cause.

In October 2010, Seattle Genetics entered into an employment agreement with Jonathan Drachman, our current Chief Medica Dr. Drachman s employment agreement was amended to provide that the accelerated vesting benefits provided for under the equity awards held by Dr. Drachman (unless specifically provided otherwise in the applicable equity award agreement) inste and restricted stock awards. Dr. Drachman s employment agreement provides that he receive an annual base salary, which is effective February 1, 2018, and is eligible to receive an annual bonus at a target percentage of his base salary as determined b Committee. Dr. Drachman is also eligible to receive additional grants of stock options or other equity awards from time to ti determined by the Compensation Committee of the Board of Directors. If Dr. Drachman s employment is constructively ter Seattle Genetics without cause, Dr. Drachman will be entitled to 12 months of base salary, payable in either a lump-sum pay Seattle Genetics standard payroll schedule, at Seattle Genetics discretion, a pro-rated portion of his annual bonus earned u payable in a lump-sum payment, and health benefits continuation. Additionally, in the event Dr. Drachman is constructively Seattle Genetics without cause, he will be entitled to receive stock award vesting acceleration equal to 12 months of vesting. additionally provides that in the event Dr. Drachman is involuntarily terminated within 12 months after a change in control o Dr. Drachman s stock awards will become fully vested and, in the case of stock options, exercisable. Such severance benefit Dr. Drachman s resignation from all positions held by Dr. Drachman and execution of a full release and waiver of claims. D for no specified length of time, and either he or Seattle Genetics has the right to terminate his employment at any time with o

In April 2009, Seattle Genetics entered into an employment agreement with Vaughn Himes, our current Chief Technical Offi Dr. Himes s employment agreement was amended to provide that the accelerated vesting benefits provided for under the agr awards held by Dr. Himes (unless specifically provided otherwise in the applicable equity award agreement) instead of only restricted stock awards. Dr. Himes s employment agreement provides that he receive an annual base salary, which is current February 1, 2018, and is eligible to receive an annual bonus at a target percentage of his base salary as determined by the Compensation Committee. Dr. Himes is also eligible to receive addi options or other equity awards from time to time in the future as determined by the Compensation Committee of the Board o employment is constructively terminated or terminated by Seattle Genetics without cause, Dr. Himes will be entitled to 12 m payable in either a lump-sum payment or in accordance with Seattle Genetics standard payroll schedule, at Seattle Genetics portion of his annual bonus earned up to the date of termination payable in a lump-sum payment, and health benefits continu event Dr. Himes is constructively terminated or terminated by Seattle Genetics without cause, he will be entitled to receive st acceleration equal to 12 months of vesting. The employment agreement additionally provides that in the event Dr. Himes is i within 12 months after a change in control of Seattle Genetics, all of Dr. Himes s stock awards will become fully vested and exercisable. Such severance benefits are conditioned upon Dr. Himes s resignation from all positions held by Dr. Himes and and waiver of claims. Dr. Himes s employment is for no specified length of time, and either he or Seattle Genetics has the ri employment at any time with or without cause.

In December 2014, Seattle Genetics entered into an employment agreement with Jean Liu, our current General Counsel and I Legal Affairs. In October 2016, Ms. Liu s employment agreement was amended to provide that the accelerated vesting bene agreement apply to all equity awards held by Ms. Liu (unless specifically provided otherwise in the applicable equity award a to stock options and restricted stock awards. Ms. Liu s employment agreement provides that she receive an annual base sala $479,700 effective February 1, 2018, and is eligible to receive an annual bonus at a target percentage of her base salary as de Compensation Committee. Ms. Liu is also eligible to receive additional grants of stock options or other equity awards from t determined by the Compensation Committee of the Board of Directors. If Ms. Liu s employment is constructively terminate Genetics without cause, Ms. Liu will be entitled to 12 months of base salary, payable in either a lump-sum payment or in acc Genetics standard payroll schedule, at Seattle Genetics discretion, a pro-rated portion of her annual bonus earned up to the a lump-sum payment, and health benefits continuation. Additionally, in the event Ms. Liu is constructively terminated or terr without cause, she will be entitled to receive stock award vesting acceleration equal to 12 months of vesting. The employmer provides that in the event Ms. Liu is involuntarily terminated within 12 months after a change in control of Seattle Genetics, will become fully vested and, in the case of stock options, exercisable. Such severance benefits are conditioned upon Dr. Hin positions held by Ms. Liu and execution of a full release and waiver of claims. Ms. Liu s employment is for no specified len Seattle Genetics has the right to terminate her employment at any time with or without cause.

In September 2006, Seattle Genetics entered into an employment agreement with Eric L. Dobmeier, our former Chief Operat 2008, Mr. Dobmeier s employment agreement was amended and restated to clarify certain existing provisions in light of fin Section 409A, and in October 2016, Mr. Dobmeier s employment agreement was amended to provide that the accelerated ve under the agreement apply to all equity awards held by Mr. Dobmeier (unless specifically provided otherwise in the applicab instead of only to stock options and restricted stock awards. Mr. Dobmeier s amended and restated employment agreement p annual base salary, which was set at $476,981 effective February 1, 2017, and was eligible to receive an annual bonus at a tar salary as determined by the Compensation Committee. Mr. Dobmeier was also eligible to receive additional grants of stock o awards from time to time in the future as determined by the Compensation Committee of the Board of Directors. The employ additionally provided if Mr. Dobmeier s employment was constructively terminated or terminated by Seattle Genetics witho would be entitled to 12 months of base salary, payable in either a lump-sum payment or in accordance with Seattle Genetics at Seattle Genetics discretion, a pro-rated portion of his annual bonus earned up to the date of termination payable in a lump benefits

continuation. Additionally, in the event Mr. Dobmeier was constructively terminated or terminated by Seattle Genetics witho
entitled to receive stock award vesting acceleration equal to 12 months of vesting. The employment agreement additionally p
Mr. Dobmeier was involuntarily terminated within 12 months after a change in control of Seattle Genetics, all of Mr. Dobme
become fully vested and, in the case of stock options, exercisable. Such severance benefits were conditioned upon Mr. Dobm
positions held by Mr. Dobmeier and execution of a full release and waiver of claims. Mr. Dobmeier resigned from Seattle Ge
December 14, 2017 and no severance payments were made to him pursuant to his employment agreement.

Other Benefits on Termination or Change in Control

We do not provide any gross-ups or other payments based on taxes attributable to any of the severance payments and bene

Upon a termination of employment due to death or disability, each employment agreement also provides for payment of the p
earned prior to the date of termination and any accrued but unused vacation. In addition, the 2007 Plan provides that all outst
shares of our common stock that are vested and exercisable as of the date of the executive officer s death or, in the event of
within 30 days following the termination of service or his or her disability, may be exercised for six months following his or
termination of service due to the executive officer s disability, one year following the termination date but in no event after t
option.

Other Termination Benefits

Other than as set forth in each Named Executive Officer s employment agreement and except as otherwise provided by appl
Executive Officers are generally not entitled to any additional benefits upon a termination or change in control of Seattle Ge
2007 Plan and our Amended and Restated 1998 Stock Option Plan (the 1998 Plan), in the event of a change in control of S
successor corporation does not assume or substitute equivalent awards for all outstanding equity awards granted pursuant to t
Plan, then as of the date of completion of the acquisition or merger, the vesting of such equity awards shall be accelerated in
equity awards are assumed or equivalent awards are substituted by the successor corporation and if at the time of, immediate
months after the effective time of the change of control, an equity awardee s service as an employee or consultant is termina
constructive termination, then the vesting of such substituted equity award shall be accelerated in full. The value of such stoc
for each Named Executive Officer, assuming such termination or event was effective as of December 31, 2017, is set forth in
Upon Termination or Change-In-Control table above under the column Involuntary Termination Within 12 months after a

Under the 2007 Plan, if a Named Executive Officer s service with us is terminated as a result of death or disability, the perio
may be exercised following termination is extended as described in more detail under the heading Employment Agreement
Awards. The terms of the 1998 Plan are substantially similar to the 2007 Plan with respect to the extension of the post-term
case of a termination due to death or disability.

Under the ECHELON-1 LTIP, the payment of the cash awards payable to a Named Executive Officer and the vesting of the
Named Executive Officer are subject to full acceleration in the event of a termination of service (without cause or due to con
immediately prior to or within 12 months after, a change of control of the Company, or in the event an acquirer in a change o
fails to assume the cash award or stock option. The value of such cash award and stock option acceleration in full for each N
assuming such termination or event was effective as of December 31, 2017, is set forth in the Potential Payments Upon Term
Change-In-Control table above.

Under the EV/TV LTIP, the vesting of any RSU awards held by a Named Executive Officer is subject to full acceleration in service (without cause or due to constructive termination) immediately prior to or within 12 months after, a change of contro event an acquirer in a change of control of the Company fails to assume the awards. The value of such RSU award accelerati Potential Payments Upon Termination or Change-In-Control table above, as those awards were not outstanding as of Decemb

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policies and Procedures for Review of Related Party Transactions

Pursuant to the Audit Committee Charter, the Audit Committee is responsible for the review, oversight and approval of any t executive officer, director, principal stockholder or any of such persons immediate family members or affiliates in which th $120,000 or is otherwise required to be disclosed by Seattle Genetics under applicable rules and regulations of the SEC. The consider the relevant facts and circumstances available and deemed relevant, including, but not limited to, the risks, costs and Genetics, the terms of the transaction, and the availability of other sources for comparable services or products.

Certain Transactions With or Involving Related Persons

Participation in Public Offering and Registration of Shares. Entities affiliated with one of our directors, Felix Baker, and wh stockholders (the Baker Entities) purchased an aggregate of 3,846,153 of the shares of common stock offered in our publi February 2018 at the public offering price of $52.00 per share, for an aggregate purchase price of approximately $200 millio 2015, we entered into a registration rights agreement with the Baker Entities. Under the registration rights agreement, we agr from time to time, the Baker Entities demand that we register their shares of our common stock for resale under the Securitie obligated to effect such registration. Our registration obligations under this registration rights agreement cover all shares now by the Baker Entities, will continue in effect for up to ten years, and include our obligation to facilitate certain underwritten p common stock by the Baker Entities in the future. Under the terms of the registration rights agreement, we are obligated to pa us in effecting any registration pursuant to the registration rights agreement as well as up to $50,000 of reasonable legal expe for Baker Entities per underwritten public offering effected pursuant to the registration rights agreement. On October 12, 201 registration rights agreement, we registered for resale, from time to time, up to 44,059,594 shares of our common stock held Audit Committee, in exercise of its review and oversight responsibilities, approved both the entry into the registration rights the Baker Entities and the participation of related parties in our public offering.

Indemnification Agreements. Seattle Genetics has entered into indemnification agreements with its directors and certain offic of and advancement of expenses to these persons to the fullest extent permitted by law. Seattle Genetics also intends to enter our future directors and certain future officers.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2017 with respect to the shares of our common stock that may
equity compensation plans: our Amended and Restated 2007 Equity Incentive Plan, our Amended and Restated 1998 Stock O
Directors Stock Option Plan and our Amended and Restated 2000 Employee Stock Purchase Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted average ex price of outstanding o and rights ($) (b)
Equity compensation plans approved by stockholders:		
Amended and Restated 2007 Equity Incentive Plan (1)	13,584,626	34.5
Amended and Restated 1998 Stock Option Plan		
2000 Directors Stock Option Plan	116,881	11.3
Amended and Restated 2000 Employee Stock Purchase Plan		
Equity compensation plans not approved by stockholders:		
Total	13,701,507	

(1) The number of securities to be issued upon exercise of outstanding options and rights (column (a)) includes shares sub under the 2007 Plan, which RSU awards do not carry an exercise price. Accordingly, the weighted average exercise pr and rights (column (b)) excludes the grant of RSU awards.

(2) As of December 31, 2017, 3,260,964 shares remained available for future issuance under our 2007 Plan. As of March 1 remained available for purchase under our 2007 Plan.

(3) The Amended and Restated 1998 Stock Option Plan expired on December 23, 2007.

(4) The 2000 Directors Stock Option Plan expired on March 7, 2011.

(5) As of December 31, 2017, 588,388 shares remained available for future issuance under our ESPP. As of March 12, 20 available for purchase in the current purchase period under our Amended and Restated 2000 Employee Stock Purchase

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Proxy Statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 a Securities Exchange Act of 1934. Forward-looking statements are based on our management s beliefs and assumptions and o available to our management. All statements other than statements of historical facts are forward-looking statements for p including those relating to future events or our future financial performance and financial guidance. In some cases, you can id statements by terminology such as may, might, will, should, expect, plan, anticipate, project, believ negative of terms like these or other comparable terminology, and other words or terms of similar meaning in connection wit operating or financial performance. These statements are only predictions. All forward-looking statements included in this Pr information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements, o Any or all of our forward-looking statements in this document may turn out to be incorrect. Actual events or results may diff forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks, uncert We caution investors that our business and financial performance are subject to substantial risks and uncertainties.

STOCKHOLDERS SHARING THE SAME ADDRESS

The SEC has adopted rules that permit companies and intermediaries (such as brokers) to implement a delivery procedure ca this procedure, multiple stockholders who reside at the same address may receive a single copy of our annual report and prox Notice, unless the affected stockholder has provided contrary instructions. This procedure reduces printing costs and postage received notice from your broker that it will be householding communications to your address, householding will conti otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would p copy of the Notice and, if applicable, a separate copy of the annual report and other proxy materials, you may request a separ bank, broker or other holder of record, by contacting our Investor Relations Department at (425) 527-4000 or by sending a w Liu, Corporate Secretary, Seattle Genetics, 21823 30th Drive SE, Bothell, Washington 98021. The voting instructions sent should provide information on how to request (1) householding of future Seattle Genetics proxy materials, including Notices only one set of documents is being sent to a household. If it does not, a stockholder who would like to make one of these requ Genetics as described above.

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OTHER MATTERS

The Board of Directors knows of no other business that will be presented to the Annual Meeting. If any other business is pro
Annual Meeting, or with respect to any adjournment or postponement thereof, it is the intention of the proxy holders to vote
accordance with their best judgment.

It is important that your shares are represented at the Annual Meeting. We urge you to vote your shares via the Internet, over
received a paper proxy card or voting instruction form by mail, by marking, dating and signing the proxy card or voting instr
promptly in the return envelope provided.

By Order of the Board of Directors,

Jean I. Liu

Corporate Secretary

Bothell, Washington

April 4, 2018

**A copy of the Company s Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal yea
is available without charge upon written request to: Jean I. Liu, Corporate Secretary, Seattle Genetics, 21823 30th
Washington 98021.**

APPENDIX A

SEATTLE GENETICS, INC.

AMENDED AND RESTATED

2007 EQUITY INCENTIVE PLAN

(amended and restated by the Board August 5, 2009)

(amended and restated by the Board March 11, 2010)

(approved by the Company s stockholders May 21, 2010)

(amended and restated by the Board February 16, 2012)

(approved by the Company s stockholders May 18, 2012)

(amended and restated by the Board February 28, 2014)

(approved by the Company s stockholders May 16, 2014)

(amended and restated by the Board March 4, 2016)

(approved by the Company s stockholders May 20, 2016)

(amended and restated by the Board March 14, 2018)

(approved by the Company s stockholders May 18, 2018)

1. General.

(a) *Purpose of the Plan*. The purpose of this Plan is to encourage ownership in Seattle Genetics, Inc., a Delaware corporation personnel whose long-term employment or other service relationship with the Company is considered essential to the Compa thereby, encourage recipients to act in the stockholders interest and share in the Company s success.

(b) *Section 162(m) Transition Relief*. Notwithstanding anything in the Plan to the contrary, any provision in the Plan that refe compensation under Section 162(m) of the Code will only apply to any Award that is intended to qualify, and is eligible to performance-based compensation under Section 162(m) of the Code pursuant to the transition relief provided by the Tax C for remuneration provided pursuant to a written binding contract which was in effect on November 2, 2017 and which was no respect on or after such date, as determined by the Administrator, in its sole discretion, in accordance with the TCJA and any rulings or regulations issued by the U.S. Department of the Treasury, the Internal Revenue Service or any other governmenta

2. Definitions.

As used herein, the following definitions shall apply:

(a) **Administrator** means the Board, any Committees or such delegates as shall be administering the Plan in accordance w

(b) **Affiliate** means any entity that is directly or indirectly controlled by the Company or any entity in which the Company interest as determined by the Administrator.

(c) **Applicable Laws** means the requirements relating to the administration of stock option and stock award plans under U Code, any stock exchange or quotation system on which the Company has listed or submitted for quotation the Common Sto under the terms of the Company s agreement with such exchange or quotation system and, with respect to Awards subject to jurisdiction where Awards are, or will be, granted under the Plan, the laws of such jurisdiction.

(d) **Award** means a Stock Award or Option granted in accordance with the terms of the Plan.

(e) **Awardee** means an Employee, Consultant or Director of the Company or any Affiliate who has been granted an Awar

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(f) **Award Agreement** means a Stock Award Agreement and/or Option Agreement, which may be in written or electronic such terms and conditions as may be specified by the Administrator, evidencing the terms and conditions of an individual Av Agreement is subject to the terms and conditions of the Plan.

(g) **Board** means the Board of Directors of the Company.

(h) **Cause** means (i) an action or omission of Awardee which constitutes a willful and intentional material breach of any w with the Company, including without limitation, Awardee s theft or other misappropriation of the Company s proprietary in commitment of fraud, embezzlement, misappropriation of funds or breach of trust in connection with Awardee s employmen conviction of any crime which involves dishonesty or a breach of trust, or gross negligence in connection with the performan The determination as to whether an Awardee is being terminated for Cause shall be made in good faith by the Company and on the Awardee. The foregoing definition does not in any way limit the Company s ability to terminate an Awardee s empl relationship at any time as provided in Section 16 below, and the term Company will be interpreted to include any Affilia appropriate.

(i) **Change in Control** means any of the following, unless the Administrator provides otherwise:

i. an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, w reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing the domic

ii. a sale of all or substantially all of the assets of the Company, so long as in either i. or ii. above, the Company s stockholde prior to such transaction will, immediately after such transaction, hold less than fifty percent (50%) of the voting power of th entity; or

iii. any other event specified by the Board or a Committee, regardless of whether at the time an Award is granted or thereafte no Change in Control (or any analogous term) shall be deemed to occur upon announcement or commencement of a tender o takeover or upon shareholder approval of a merger or other transaction, in each case without a requirement that the Change in

(j) **Code** means the United States Internal Revenue Code of 1986, as amended.

(k) **Committee** means the compensation committee of the Board or a committee of Directors appointed by the Board in ac Plan.

(l) **Common Stock** means the common stock of the Company.

(m) **Company** means Seattle Genetics, Inc., a Delaware corporation, or its successor.

(n) **Constructive Termination** means (A) there is a material reduction or change in job duties, responsibilities and requir Awardee s position with the Company and prior duties, responsibilities and requirements, provided that neither a mere chan reassignment to a position that is substantially similar to the position held prior to the change in terms of job duties, responsi constitute a material reduction in job responsibilities; or (B) there is a reduction in Awardee s then-current base salary by at provided that an across-the-board reduction in the salary level of all other employees by the same percentage amount as part reduction shall not constitute such a salary reduction; or (C) Awardee refuses to relocate to a facility or location more than fi Company s current location.

(o) **Consultant** means any person engaged by the Company or any Affiliate to render services to such entity as an advisor

(p) **Conversion Award** has the meaning set forth in Section 4(b)(xiii) of the Plan.

(q) **Director** means a member of the Board.

(r) **Disability** means any physical or mental disability for which an Awardee becomes eligible to receive long-term disabi Company s or an Affiliate s, as applicable, long-term disability plan or policy.

(s) **Employee** means a regular, active employee of the Company or any Affiliate, including an Officer and/or Inside Direc Applicable Law, the Administrator shall have the discretion to determine the effect upon an Award and upon an individual s case of (i) any individual who is classified by the Company or its Affiliate as leased from or otherwise employed by a third p temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise, (ii) any leav the Company or an Affiliate, (iii) any transfer between locations of employment with the Company or an Affiliate or betwee Affiliate or between any Affiliates, (iv) any change in the Awardee s status from an Employee to a Consultant or Director, a Company or an Affiliate an Employee becomes employed by any partnership, joint venture or corporation not meeting the re in which the Company or an Affiliate is a party.

(t) **Exchange Act** means the Securities Exchange Act of 1934, as amended.

(u) **Fair Market Value** of a Share on any given date means, unless otherwise required by Applicable Law, the fair marke determined in good faith by the Administrator either through application of any reasonable valuation method or, in the absen established under law, in practice or otherwise to be reasonable, then pursuant to the Administrator s good faith conclusion t determination is reasonable; provided that, to the extent possible, such value shall be determined with reference to the closin Common Stock as quoted on the applicable date on Nasdaq or the exchange or market with the greatest volume of trading in the applicable date, or if the Shares were not trading on such date, then the closing bid on the applicable date. The Administr determination that it is reasonable to use one valuation method with respect one type of transaction arising under the Plan an method with respect to another type of Plan transaction, provided that in each case the Administrator concludes that applicati results in the most accurate measure of fair market value with respect thereto.

(v) **Grant Date** means, for all purposes, the date on which the Administrator makes the determination granting an Award, determined by the Administrator, provided that in the case of any Incentive Stock Option, the grant date shall be the later of t Administrator makes the determination granting such Incentive Stock Option or the date of commencement of the Awardee with the Company.

(w) **Incentive Stock Option** means an Option intended to qualify as an incentive stock option within the meaning of Sect regulations promulgated thereunder.

(x) **Inside Director** means a Director who is an Employee.

(y) **Nasdaq** means the Nasdaq Global Market or its successor.

(z) **Nonstatutory Stock Option** means an Option not intended to qualify as an Incentive Stock Option.

(aa) **Officer** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and promulgated thereunder.

(bb) **Option** means a right granted under Section 8 to purchase a number of Shares at such exercise price, at such times, a conditions as are specified in the agreement or other documents evidencing the Option (the **Option Agreement**). Both Op Incentive Stock Options and Nonstatutory Stock Options may be granted under the Plan.

(cc) **Outside Director** means a Director who is not an Employee.

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(dd) **Participant** means the Awardee or any person (including any estate) to whom an Award has been assigned or transfe

(ee) **Plan** means this Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan.

(ff) **Qualifying Performance Criteria** shall have the meaning set forth in Section 12(b) of the Plan.

(gg) **Securities Act** means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(hh) **Share** means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(ii) **Stock Appreciation Right** means a right to receive cash and/or shares of Common Stock based on a change in the Fa number of shares of Common Stock between the Grant Date and the exercise date granted under Section 11.

(jj) **Stock Award** means an award or issuance of Shares, Stock Units, Stock Appreciation Rights or other similar awards Plan, the grant, issuance, retention, vesting, settlement and/or transferability of which is subject during specified periods of ti (including continued employment or performance conditions) and terms as are expressed in the agreement or other documen (the **Stock Award Agreement**).

(kk) **Stock Unit** means a bookkeeping entry representing an amount equivalent to the Fair Market Value of one Share (or value), payable in cash, property or Shares. Stock Units represent an unfunded and unsecured obligation of the Company, ex for by the Administrator.

(ll) **Subsidiary** means any company (other than the Company) in an unbroken chain of companies beginning with the Co in the unbroken chain (other than the Company) owns, at the time of determination, stock possessing 50% or more of the tot all classes of stock in one of the other companies in such chain.

(mm) **Termination of Employment** shall mean ceasing to be an Employee, Consultant or Director, as determined in the Administrator. However, for Incentive Stock Option purposes, Termination of Employment will occur when the Awardee ce determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company or Administrator shall determine whether any corporate transaction, such as a sale or spin-off of a division or business unit, or a deemed to result in a Termination of Employment.

3. Stock Subject to the Plan.

(a) *Aggregate Limits.* Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may to Awards granted under the Plan is 33,000,000 Shares.

Shares subject to Awards granted under the Plan that are cancelled, expire or are forfeited (including without limitation, any issued under the Award to the Participant) shall be available for re-grant under the Plan. If an Awardee pays the exercise or p granted under the Plan through the tender of Shares, the number of Shares so tendered shall become available for re-issuance The Shares subject to the Plan may be either Shares reacquired by the Company, including Shares purchased in the open ma unissued Shares.

(b) *Code Section 162(m) Share Limits.* Subject to the provisions of Section 13 of the Plan, the aggregate number of Shares s under this Plan during any calendar year to any one Awardee shall not exceed 1,000,000. Notwithstanding anything to the co limitation set

forth in this Section 3(b) shall be subject to adjustment under Section 13(a) of the Plan only to the extent that such adjustmen
any Award intended to qualify as performance based compensation under Code Section 162(m).

(c) *Incentive Stock Option Limit.* Subject to the provisions of Sections 3(a) and 13 of the Plan, the maximum aggregate numb
issued pursuant to the exercise of Incentive Stock Options is 66,000,000 Shares.

4. Administration of the Plan.

(a) *Procedure.*

i. *Multiple Administrative Bodies.* The Plan shall be administered by the Board, a Committee and/or their delegates.

ii. *Section 162.* To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as pe
compensation within the meaning of Section 162(m) of the Code, Awards to covered employees within the meaning of S
Employees that the Committee determines may be covered employees in the future shall be made by a Committee of two
within the meaning of Section 162(m) of the Code.

iii. *Rule 16b-3.* To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3 promulgated under the
Awards to Officers and Directors shall be made by the entire Board or a Committee of two or more non-employee directors
Rule 16b-3.

iv. *Other Administration.* The Board or a Committee may delegate to an authorized officer or officers of the Company the po
persons eligible to receive Awards under the Plan who are not (A) subject to Section 16 of the Exchange Act or (B) at the tim
employees under Section 162(m) of the Code or (C) any other executive officer.

v. *Delegation of Authority for the Day-to-Day Administration of the Plan.* Except to the extent prohibited by Applicable Law
delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Pl
revoked at any time.

vi. *Nasdaq*. The Plan will be administered in a manner that complies with any applicable Nasdaq or stock exchange listing re

(b) *Powers of the Administrator.* Subject to the provisions of the Plan and, in the case of a Committee or delegates acting as t
the specific duties delegated to such Committee or delegates, the Administrator shall have the authority, in its discretion:

i. to select the Employees, Consultants and Directors of the Company or its Affiliates to whom Awards are to be granted here

ii. to determine the number of shares of Common Stock or amount of cash to be covered by each Award granted hereunder;

iii. to determine the type of Award to be granted to the selected Employees, Consultants and Directors;

iv. to approve forms of Award Agreements for use under the Plan;

v. to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such t
include, but are not limited to, the exercise and/or purchase price (if applicable), the time or times when an Award may be ex

not be based on performance criteria), the vesting schedule, any vesting and/or exercisability acceleration or waiver of forfei
acceptable forms of consideration, the term, and any restriction or limitation regarding any Award or the Shares relating ther
such factors as the Administrator, in its sole discretion, shall determine and may be established at the time an Award is grant

vi. to determine whether and under what circumstances an Option may be settled in cash under Section 8(h) instead of Comn

vii. to correct administrative errors;

viii. to construe and interpret the terms of the Plan (including sub-plans and Plan addenda) and Awards granted pursuant to t

ix. to adopt rules and procedures relating to the operation and administration of the Plan to accommodate the specific require
procedures. Without limiting the generality of the foregoing, the Administrator is specifically authorized (A) to adopt the rul
the conversion of local currency, withholding procedures and handling of stock certificates which vary with local requireme
sub-plans and Plan addenda as the Administrator deems desirable, to accommodate foreign laws, regulations and practice;

x. to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-p

xi. to modify or amend each Award, including, but not limited to, the acceleration of vesting and/or exercisability, *provided,*
amendment is subject to Section 14 of the Plan and except as set forth in that Section, may not impair any outstanding Awar
by the Participant; *provided further, however*, that notwithstanding the foregoing or anything in the Plan to the contrary, the
any outstanding Award or the Plan, or may suspend or terminate the Plan, without the affected Participant s consent, (A) to
of the Award as an Incentive Stock Option under Section 422 of the Code or (B) to change the terms of an Incentive Stock O
in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under S

xii. to allow Participants to satisfy withholding tax amounts by electing to have the Company withhold from the Shares to be
Option or vesting of a Stock Award that number of Shares having a Fair Market Value equal to the amount required to be wi
Value of the Shares to be withheld shall be determined in such manner and on such date that the Administrator shall determi
provision otherwise, on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to ha
purpose shall be made in such form and under such conditions as the Administrator may provide;

xiii. to authorize conversion or substitution under the Plan of any or all stock options, stock appreciation rights or other stock
providers of an entity acquired by the Company (the **Conversion Awards**). Any conversion or substitution shall be effect
merger, acquisition or other transaction. The Conversion Awards may be Nonstatutory Stock Options or Incentive Stock Opt
Administrator, with respect to options granted by the acquired entity; *provided, however*, that with respect to the conversion
in the acquired entity, the Conversion Awards shall be Nonstatutory Stock Options. Unless otherwise determined by the Adm
conversion or substitution, all Conversion Awards shall have the same terms and conditions as Awards generally granted by
Plan;

xiv. to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award pre
Administrator;

xv. to impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resa
subsequent transfers by the Participant of

any Shares issued as a result of or under an Award, including without limitation, (A) restrictions under an insider trading pol Company policy relating to Company stock and stock ownership and (B) restrictions as to the use of a specified brokerage fi transfers;

xvi. to provide, either at the time an Award is granted or by subsequent action, that an Award shall contain as a term thereof, with the other rights under the Award or as an alternative thereto, of the Participant to receive, without payment to the Comp cash or a combination thereof, the amount of which is determined by reference to the value of the Award; and

xvii. to make all other determinations deemed necessary or advisable for administering the Plan and any Award granted here

(c) *Effect of Administrator s Decision.* All decisions, determinations and interpretations by the Administrator regarding the I regulations under the Plan and the terms and conditions of any Award granted hereunder, shall be final and binding on all Pa persons. The Administrator shall consider such factors as it deems relevant, in its sole and absolute discretion, to making suc and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Con consultants and accountants as it may select.

5. Eligibility.

Awards may be granted to Employees, Consultants and Directors of the Company or any of its Affiliates; provided that Incer granted only to Employees of the Company or of a Subsidiary of the Company.

6. Term of Plan.

The Plan originally became effective on December 23, 2007. It shall continue in effect for a term of ten (10) years from the l stockholders of the Company approve any amendment to add shares to the Plan, unless terminated earlier under Section 14 o

7. Term of Award.

The term of each Award shall be determined by the Administrator and stated in the Award Agreement. In the case of an Opti (10) years from the Grant Date or such shorter term as may be provided in the Award Agreement; provided that an Incentive Employee who on the Grant Date owns stock representing more than ten percent (10%) of the voting power of all classes of any Subsidiary shall have a term of no more than five (5) years from the Grant Date.

8. Options.

The Administrator may grant an Option or provide for the grant of an Option, either from time to time in the discretion of the automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals, or condition within the control of the Awardee or within the control of others.

(a) *Option Agreement.* Each Option Agreement shall contain provisions regarding (i) the number of Shares that may be issue Option, (ii) the type of Option, (iii) the exercise price of the Shares and the means of payment for the Shares, (iv) the term of and conditions on the vesting and/or exercisability of an Option as may be determined from time to time by the Administrato transfer of the Option or the Shares issued upon exercise of the Option and forfeiture provisions on either and (vii) such furth each case not inconsistent with this Plan as may be determined from time to time by the Administrator; *provided, however*, that (x) each Option must ha period of one (1) year from the earlier of the Grant Date or the vesting commencement date, if any, and (y) notwithstanding t of an Awardee s Termination of Employment as a result of the Awardee s death or Disability, the vesting and exercisability granted to the Awardee (where such vesting and exercisability is based on the Awardee s continued service with the Compa passage of time) shall accelerate such that such Options shall become vested and exercisable as to an additional twelve (12) r date of such Termination of Employment.

(b) *Exercise Price.* The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determi subject to the following:

i. In the case of an Incentive Stock Option, the per Share exercise price shall be no less than one hundred percent (100%) of t Share on the Grant Date; provided however, that in the case of an Incentive Stock Option granted to an Employee who on the representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Subsidiary, the p be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the Grant Date.

ii. In the case of a Nonstatutory Stock Option, the per Share exercise price shall be no less than one hundred percent (100%) per Share on the Grant Date.

iii. Notwithstanding the foregoing, at the Administrator s discretion, Conversion Awards may be granted in substitution and an acquired entity, with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of such s conversion.

(c) *No Option Repricings*. Other than in connection with a change in the Company s capitalization (as described in Section 1 exercise or strike price of an Option or Stock Appreciation Right may not be reduced without stockholder approval. Addition not have the authority to cancel any outstanding Option or Stock Appreciation Right that has an exercise price or strike price Fair Market Value of the Common Stock in exchange for cash or other Awards under the Plan, unless the stockholders of the such an action within twelve months prior to such an event.

(d) *Vesting Period and Exercise Dates.* Subject to Section 8(a), Options granted under this Plan shall vest and/or be exercisal installments during the period prior to the expiration of the Option s term as determined by the Administrator. The Administ make the timing of the ability to exercise any Option granted under this Plan subject to continued employment, the passage o performance requirements as deemed appropriate by the Administrator. At any time after the grant of an Option, the Adminis eliminate any restrictions surrounding any Participant s right to exercise all or part of the Option.

(e) *Form of Consideration.* The Participant may pay the exercise price of an Option using any of the following forms of cons Administrator determines not to permit such form of consideration at any time including at the time of exercise:

i. cash;

ii. check or wire transfer (denominated in U.S. Dollars);

iii. subject to the Company s discretion to refuse for any reason and at any time to accept such consideration and subject to a established by the Administrator, other Shares held by the Participant which have a Fair Market Value on the date of surrend exercise price of the Shares as to which said Option shall be exercised;

iv. consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Administra

v. cashless net exercise arrangement pursuant to which the Company will reduce the number of Shares issued upon exerci
of Shares having an aggregate Fair Market Value that does not exceed the aggregate exercise price; provided that the Compa
other payment from the Participant to the extent of any remaining balance of the exercise price not satisfied by such reductio
Shares to be issued; and also provided that Shares will no longer be outstanding under an Option and will not be exercisable
(A) Shares are withheld to pay the exercise price pursuant to a net exercise, and (B) the remaining number of whole Share
Participant as a result of such exercise;

vi. such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; o

vii. any combination of the foregoing methods of payment.

(f) *Effect of Termination on Options*

i. *Generally*. Unless otherwise provided for by the Administrator, upon an Awardee s Termination of Employment other tha
described in Sections 8(f)(ii) and (iii) below, any outstanding Option granted to such Awardee, whether vested or unvested, t
exercised, shall terminate immediately upon the Awardee s Termination of Employment; *provided, however*, that the Admin
Agreement specify a period of time (but not beyond the expiration date of the Option) following Termination of Employmen
may exercise the Option as to Shares that were vested and exercisable as of the date of Termination of Employment. To the e
following Termination of Employment is specified, the Option shall automatically terminate at the end of such period to the
exercised it within such period; *provided, however*, that (A) if during any part of such period, the Option is not exercisable b
Shares would violate the registration requirements under the Securities Act, the Option shall not expire until the Option shall
an aggregate of such period after the date of Termination of Employment (but in no event may the Option be exercised more
of Termination of Employment), and (B) if during any part of such period, the Shares issued upon exercise of the Option ma
Awardee has material nonpublic information regarding the Company or is otherwise subject to a trading blackout period und
Trading Policy, the Option shall not expire until the Awardee shall have had an aggregate of such period after the date of Ter
during which the Awardee can sell the Shares without being subject to such restrictions arising under insider trading laws or
event may the Option be exercised more than one year after the date of Termination of Employment).

ii. *Disability of Awardee*. Unless otherwise provided for by the Administrator, upon an Awardee s Termination of Employm
Awardee s Disability, all outstanding Options granted to such Awardee that were vested and exercisable as of the date of the
Employment may be exercised by the Awardee until (A) twelve (12) months following the Awardee s Termination of Empl
Awardee s Disability or (B) the expiration of the term of such Option. If the Participant does not exercise such Option withi
Option (to the extent not exercised) shall automatically terminate.

iii. *Death of Awardee*. Unless otherwise provided for by the Administrator, upon an Awardee s Termination of Employment
death or in the event of the death of an Awardee within thirty (30) days following an Awardee s Termination of Employmen
granted to such Awardee that were vested and exercisable as of the date of the Awardee s death may be exercised until the e
(12) months following the Awardee s death or (B) the expiration of the term of such Option. If an Option is held by the Awa
such Option may be exercised, to the extent the Option is vested and exercisable, by the beneficiary designated by the Award
Section 15 of the Plan), the executor or administrator of the Awardee s estate or, if none, by the person(s) entitled to exercis
Awardee s will

or the laws of descent or distribution; provided that the Company need not accept exercise of an Option by such beneficiary, unless the Company has satisfactory evidence of such person s authority to act as such. If the Option is not so exercised wit Option (to the extent not exercised) shall automatically terminate.

iv. *Termination for Cause.* The Administrator has the authority to cause all outstanding Options held by an Awardee to termi entirety upon first notification to the Awardee of the Awardee s Termination of Employment for Cause. If an Awardee s en relationship with the Company is suspended pending an investigation of whether the Awardee shall be terminated for Cause, authority to cause all the Awardee s rights under all outstanding Options to be suspended during the investigation period in shall have no right to exercise any outstanding Options.

v. *Other Terminations of Employment*. The Administrator may provide in the applicable Option Agreement for different trea Termination of Employment of the Awardee than that specified above.

vi. *Extension of Exercise Period*. The Administrator shall have full power and authority to extend the period of time for whic exercisable following an Awardee s Termination of Employment from the periods set forth in Sections 8(f)(ii) and (iii) abov to such greater time as the Board shall deem appropriate, provided that in no event shall such Option be exercisable later tha the term of such Option as set forth in the Option Agreement.

(g) *Leave of Absence.* The Administrator shall have the discretion to determine whether and to what extent the vesting of Op any unpaid leave of absence; *provided, however*, that in the absence of such determination, vesting of Options shall be tolled a leave required to be provided to the Awardee under Applicable Law. In the event of military leave, vesting shall toll during leave, provided that, upon an Awardee s returning from military leave (under conditions that would entitle him or her to pro under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respec extent as would have applied had the Awardee continued to provide services to the Company throughout the leave on the sa providing services immediately prior to such leave.

(h) *Buyout Provisions*. The Administrator may at any time offer to buy out for a payment in cash or Shares, an Option previo terms and conditions as the Administrator shall establish and communicate to the Awardee at the time that such offer is mad

9. Incentive Stock Option Limitations/Terms.

(a) *Eligibility.* Only employees (as determined in accordance with Section 3401(c) of the Code and the regulations promulga Company or any of its Subsidiaries may be granted Incentive Stock Options.

(b) *$100,000 Limitation.* Notwithstanding the designation Incentive Stock Option in an Option Agreement, if and to the e Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Awardee (under all plans of the Company and any of its Subsidiaries) exceeds U.S. $100,000, such Options shall be treated as Nonsta purposes of this Section 9(b), Incentive Stock Options shall be taken into account in the order in which they were granted. T Shares shall be determined as of the Grant Date.

(c) *Transferability.* An Incentive Stock Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of i Awardee otherwise than by will or the laws of descent and distribution, and, during the lifetime of such Awardee, may only Awardee. If the terms of an Incentive Stock Option are amended to permit transferability, the Option will be treated for tax purposes as a Nonstatut designation of a beneficiary by an Awardee will not constitute a transfer.

(d) *Exercise Price.* The per Share exercise price of an Incentive Stock Option shall be determined by the Administrator in ac Section 8(b)(i) of the Plan.

(e) *Other Terms.* Option Agreements evidencing Incentive Stock Options shall contain such other terms and conditions as m to the extent determined desirable by the Administrator, with the applicable provisions of Section 422 of the Code.

10. Exercise of Option.

(a) *Procedure for Exercise.*

i. Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such co the Administrator and set forth in the respective Option Agreement.

ii. An Option shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accorda Agreement) from the person entitled to exercise the Option; (B) full payment for the Shares with respect to which the related (C) payment of all applicable withholding taxes.

iii. An Option may not be exercised for a fraction of a Share.

(b) *Rights as a Stockholder*. The Company shall issue (or cause to be issued) such Shares as administratively practicable afte Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in t and his or her spouse. Unless provided otherwise by the Administrator or pursuant to this Plan, until the Shares are issued (a appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or re rights as a stockholder shall exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option.

11. Stock Awards.

(a) *Stock Award Agreement.* Each Stock Award Agreement shall contain provisions regarding (i) the number of Shares subje formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment for the Shares, (including Qualifying Performance Criteria), if any, and level of achievement versus these criteria that shall determine the nu issued, retainable and/or vested, (iv) such terms and conditions on the grant, issuance, vesting, settlement and/or forfeiture o determined from time to time by the Administrator, (v) restrictions on the transferability of the Stock Award and (vi) such fu in each case not inconsistent with this Plan as may be determined from time to time by the Administrator; *provided, howeve* must have a minimum vesting period of one (1) year from the earlier of the Grant Date or the vesting commencement date, i (y) notwithstanding the foregoing, in the event of an Awardee s Termination of Employment as a result of the Awardee s d (and exercisability, if applicable) of all outstanding Stock Awards granted to the Awardee (where such vesting and exercisab Awardee s continued service with the Company or any Affiliate and the passage of time) shall accelerate such that such Sto vested (and exercisable, if applicable) as to an additional twelve (12) months, effective as of the date of such Termination of

(b) *Restrictions and Performance Criteria.* The grant, issuance, retention, vesting and/or settlement of each Stock Award or t may be subject to such performance criteria (including

Qualifying Performance Criteria) and level of achievement versus these criteria as the Administrator shall determine, which financial performance, personal performance evaluations and/or completion of service by the Awardee. Unless otherwise pe the requirements of Code Section 162(m) with respect to an Award intended to comply as performance-based compensatio shall establish the Qualifying Performance Criteria applicable to, and the formula for calculating the amount payable under, earlier of (a) the date ninety (90) days after the commencement of the applicable performance period, or (b) the date on whic period has elapsed, and in any event at a time when the achievement of the applicable Qualifying Performance Criteria rema

(c) *Forfeiture.* Unless otherwise provided for by the Administrator, upon the Awardee s Termination of Employment, the St subject thereto shall be forfeited, provided that to the extent that the Participant purchased or earned any Shares, the Compan repurchase the unvested Shares at such price and on such terms and conditions as the Administrator determines.

(d) *Rights as a Stockholder.* Unless otherwise provided by the Administrator in the Award Agreement, the Participant shall h those of a stockholder and shall be a stockholder only after Shares are issued (as evidenced by the appropriate entry on the bo duly authorized transfer agent of the Company) to the Participant. Unless otherwise provided by the Administrator, a Partici shall not be entitled to receive dividend payments or any credit therefore as if he or she was an actual stockholder.

(e) *Stock Appreciation Rights*.

i. *General*. Stock Appreciation Rights may be granted either alone, in addition to, or in tandem with other Awards granted u may grant Stock Appreciation Rights to eligible Participants subject to terms and conditions not inconsistent with this Plan a The specific terms and conditions applicable to the Participant shall be provided for in the Stock Award Agreement. Stock A exercisable, in whole or in part, at such times as the Board shall specify in the Stock Award Agreement.

ii. *Exercise of Stock Appreciation Right*. Upon the exercise of a Stock Appreciation Right, in whole or in part, the Participant payment in an amount equal to the excess of the Fair Market Value on the date of exercise of a fixed number of Shares cove of the Stock Appreciation Right, over the Fair Market Value on the Grant Date of the Shares covered by the exercised portio Right (or such other amount calculated with respect to Shares subject to the Award as the Board may determine). The amoun upon the exercise of a Stock Appreciation Right shall be paid in such form of consideration as determined by the Board and combination thereof, over the period or periods specified in the Stock Award Agreement. A Stock Award Agreement may pl that may be paid over any specified period or periods upon the exercise of a Stock Appreciation Right, on an aggregate basis Stock Appreciation Right shall be considered exercised when the Company receives written notice of exercise in accordance Award Agreement from the person entitled to exercise the Stock Appreciation Right.

iii. *Nonassignability of Stock Appreciation Rights.* Except as determined by the Administrator, no Stock Appreciation Right otherwise transferable by the Participant except by will or by the laws of descent and distribution.

12. Other Provisions Applicable to Awards.

(a) *Non-Transferability of Awards.* Unless determined otherwise by the Administrator, an Award may not be sold, pledged, a transferred, or disposed of in any manner other than by beneficiary designation, will or by the laws of descent or distribution Administrator may in its discretion make an Award transferable to an Awardee s family member or any

other person or entity as it deems appropriate. If the Administrator makes an Award transferable, either at the time of grant o
shall contain such additional terms and conditions as the Administrator deems appropriate, and any transferee shall be deeme
terms upon acceptance of such transfer.

(b) *Qualifying Performance Criteria.* For purposes of this Plan, the term **Qualifying Performance Criteria** shall mean ar
performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to
business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively ove
absolute basis or relative to a pre-established target, to previous years results or to a designated comparison group, in each c
Administrator in the Award: (i) cash flow; (ii) earnings (including gross margin, earnings before interest and taxes, earnings
earnings); (iii) earnings per share; (iv) growth in earnings or earnings per share; (v) stock price; (vi) return on equity or avera
(vii) total stockholder return; (viii) return on capital; (ix) return on assets or net assets; (x) return on investment; (xi) revenue
income; (xiii) operating income or net operating income, in aggregate or per share; (xiv) operating profit or net operating pro
(xvi) return on operating revenue; (xvii) market share; (xviii) growth in stockholder value relative to the moving average of a
(xix) strategic plan development and implementation (including individual performance objectives that relate to achievement
business unit s strategic plan); (xx) improvement in workforce diversity; (xxi) growth of revenue, operating income or net in
U.S. Food and Drug Administration or other regulatory body of a product candidate; and (xxiii) any other similar criteria. Th
appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following
performance period: (A) asset write-downs; (B) litigation or claim judgments or settlements; (C) the effect of changes in tax
or other such laws or provisions affecting reported results; (D) accruals for reorganization and restructuring programs and/or
and (E) any gains or losses that are unusual in nature or occur infrequently under generally accepted accounting princip
the Company s financial statements.

(c) *Certification.* Prior to the payment of any compensation under an Award intended to qualify as performance-based comp
Section 162(m) of the Code, the Committee shall certify the extent to which any Qualifying Performance Criteria and any otl
such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stoc

(d) *Discretionary Adjustments Pursuant to Section 162(m).* Notwithstanding satisfaction of any completion of any Qualifying
the extent specified at the time of grant of an Award to covered employees within the meaning of Section 162(m) of the C
Options or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Qualify
may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall det

(e) *Compliance with Section 409A.* Notwithstanding anything to the contrary contained herein, to the extent that the Adminis
Award granted under the Plan is subject to Code Section 409A and unless otherwise specified in the applicable Award Agree
Agreement evidencing such Award shall incorporate the terms and conditions necessary for such Award to avoid the consequ
Section 409A(a)(1), and to the maximum extent permitted under Applicable Law (and unless otherwise stated in the applicab
Plan and the Award Agreements shall be interpreted in a manner that results in their conforming to the requirements of Code
(3) and (4) and any Department of Treasury or Internal Revenue Service regulations or other interpretive guidance issued und
issued, the **Guidance**). Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement provides o
reference to this sentence), to the extent that a Participant holding an Award that constitutes deferred

compensation under Section 409A and the Guidance is a specified employee (also as defined thereunder), no distributior shall be made before a date that is six (6) months following the date of such Participant s separation from service (as defi Guidance) or, if earlier, the date of the Participant s death.

(f) *Deferral of Award Benefits.* The Administrator may in its discretion and upon such terms and conditions as it determines a more Participants whom it selects to (a) defer compensation payable pursuant to the terms of an Award, or (b) defer compens terms of this Plan pursuant to a program that provides for deferred payment in satisfaction of such other compensation amou one or more Awards. Any such deferral arrangement shall be evidenced by an Award Agreement in such form as the Admini time establish, and no such deferral arrangement shall be a valid and binding obligation unless evidenced by a fully executed form of which the Administrator has approved, including through the Administrator s establishing a written program (the F govern the form of Award Agreements participating in such Program. Any such Award Agreement or Program shall specify or dividend equivalent rights (if any) that apply to Awards governed thereby, and shall further provide that any elections gov pursuant to such Program shall be in writing, shall be delivered to the Company or its agent in a form and manner that compl and the Guidance, and shall specify the amount to be distributed in settlement of the deferral arrangement, as well as the time distribution in a manner that complies with Code Section 409A and the Guidance.

13. Adjustments upon Changes in Capitalization, Dissolution, Merger or Asset Sale.

(a) *Changes in Capitalization.* Subject to any required action by the stockholders of the Company, (i) the number and kind of outstanding Award, (ii) the exercise or purchase (including repurchase) price per Share subject to each such outstanding Awa Share limitations set forth in Section 3 of the Plan, shall be proportionately adjusted for any increase or decrease in the numb resulting from a stock split, reverse stock split, stock dividend, spin-off, combination or reclassification of the Common Stoc increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Comp that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of c adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Ex herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Av

(b) *Dissolution or Liquidation.* In the event of the proposed dissolution or liquidation of the Company, the Administrator sha soon as practicable prior to the effective date of such proposed transaction. To the extent an Award has not been previously e subject thereto issued to the Awardee and unless otherwise determined by the Administrator, an Award will terminate immec consummation of the transaction. In addition, the Administrator may provide that any Company repurchase option or forfeitu purchased upon exercise of an Option or covered by a Stock Award shall lapse as to all such Shares, provided the proposed l takes place at the time and in the matter contemplated.

(c) *Change in Control.* In the event there is a Change in Control of the Company, as determined by the Board or a Committe may, in its discretion, (i) provide for the assumption or substitution of, or adjustment (including to the number and type of Sh purchase price applicable) to, each outstanding Award; (ii) accelerate the vesting of Options and terminate any restrictions or (iii) provide for termination of Awards as a result of the Change in Control on such terms and conditions as it deems appropr the cancellation of Awards for a cash or other payment to the Participant.

For purposes of this Section 13(c), an Award shall be considered assumed, without limitation, if, at the time of issuance of th consideration upon a Change in Control, as the case may be, each holder of an Award would be entitled to receive upon exer number and kind of shares of stock or the same amount of property, cash or securities as such holder would have been entitle occurrence of the transaction if the holder had been, immediately prior to such transaction, the holder of the number of Share such time (after giving effect to any adjustments in the number of Shares covered by the Award as provided for in Section 13 consideration received in the transaction is not solely common stock of the successor corporation, the Administrator may, wi successor corporation, provide for the consideration to be received upon exercise of the Award to be solely common stock of equal to the Fair Market Value of the per Share consideration received by holders of Common Stock in the transaction.

In the event of a Change in Control, and if an Awardee s Awards are not assumed by the successor corporation or its parent successor does not substitute equivalent options or awards for those outstanding under the Plan and the Awardee has not exp Employment without Cause as of, or has experienced a Termination of Employment without Cause immediately prior to, the Change in Control, then such Awards shall become fully vested and exercisable and/or payable as applicable, and all forfeitu on such Awards shall lapse immediately prior to the effective time of the Change in Control. Upon, or in anticipation of, such Administrator may cause any and all Awards outstanding under the Plan to terminate at a specific time in the future and shall right to exercise such Awards during a period of time as the Administrator, in its sole and absolute discretion, shall determine have sole discretion to determine whether an Award has been assumed by the successor corporation or its parent or subsidiar has substituted equivalent awards for those outstanding under the Plan in connection with a Change in Control subject to the

In the event of a Change in Control, if outstanding Awards are assumed or equivalent awards are substituted by the successor subsidiary of such successor corporation, and if at the time of, immediately prior to or within twelve (12) months after, the ef in Control, an Awardee experiences a Termination of Employment without Cause or as a result of a Constructive Terminatio Awardee s Termination of Employment, the vesting and exercisability of any assumed Option, or any option substituted for corporation or a parent or subsidiary of such successor corporation, held by Awardee at the time of termination, and the lapse repurchase restrictions with respect to any assumed Stock Award, or any stock award substituted for a Stock Award by the su parent or subsidiary of such successor corporation, held by Awardee at the time of termination, shall be accelerated in full.

14. Amendment and Termination of the Plan.

(a) *Amendment and Termination.* The Administrator may amend, alter or discontinue the Plan or any Award Agreement, but be subject to approval of the stockholders of the Company in the manner and to the extent required by Applicable Law. To th with Section 162(m), the Company shall seek re-approval of the Plan from time to time by the stockholders. In addition, with unless approved by the stockholders of the Company, no such amendment shall be made that would:

i. increase the maximum number of Shares for which Awards may be granted under the Plan, other than an increase pursuant

ii. reduce the minimum exercise prices at which Options may be granted under the Plan (as set forth in Section 8(b));

iii. result in a repricing of Options or Stock Appreciation Rights; or

iv. change the class of persons eligible to receive Awards under the Plan.

(b) *Effect of Amendment or Termination.* No amendment, suspension or termination of the Plan shall impair the rights of any agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Parti provided further that the Administrator may amend an outstanding Award in order to conform it to the Administrator s inten such Award not be subject to Code Section 409A(a)(1). Termination of the Plan shall not affect the Administrator s ability t to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(c) *Effect of the Plan on Other Arrangements.* Neither the adoption of the Plan by the Board or a Committee nor the submissi stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or any Co incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted stock or stoc under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases. The value of A the Plan will not be included as compensation, earnings, salaries or other similar terms used when calculating an Awardee s benefit plan sponsored by the Company or any Subsidiary except as such plan otherwise expressly provides.

15. Designation of Beneficiary.

(a) An Awardee may file a written designation of a beneficiary who is to receive the Awardee s rights pursuant to Awardee include his or her Awards in an omnibus beneficiary designation for all benefits under the Plan. To the extent that Awardee h of beneficiary while employed with the Company, such beneficiary designation shall remain in effect with respect to any Aw by the Awardee to the extent enforceable under Applicable Law.

(b) Such designation of beneficiary may be changed by the Awardee at any time by written notice. In the event of the death o absence of a beneficiary validly designated under the Plan who is living at the time of such Awardee s death, the Company s administrator of the estate of the Awardee to exercise the Award, or if no such executor or administrator has been appointed Company), the Company, in its discretion, may allow the spouse or one or more dependents or relatives of the Awardee to ex extent permissible under Applicable Law or if no spouse, dependent or relative is known to the Company, then to such other may designate.

16. No Right to Awards or to Employment.

No person shall have any claim or right to be granted an Award and the grant of any Award shall not be construed as giving a continue in the employ of the Company or its Affiliates. Further, the Company and its Affiliates expressly reserve the right, a Employee, Consultant or Awardee at any time without liability or any claim under the Plan, except as provided herein or in a entered into hereunder.

17. Legal Compliance.

Shares shall not be issued pursuant to the exercise of an Option or Stock Award unless the exercise of such Option or Stock A delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Co compliance.

18. Reservation of Shares.

The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be suf requirements of the Plan.

19. Notice.

Any written notice to the Company required by any provisions of this Plan shall be addressed to the Secretary of the Compar
when received.

20. Governing Law; Interpretation of Plan and Awards.

(a) This Plan and all determinations made and actions taken pursuant hereto shall be governed by the substantive laws, but no
the state of Delaware.

(b) In the event that any provision of the Plan or any Award granted under the Plan is declared to be illegal, invalid or otherw
court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid a
otherwise deleted, and the remainder of the terms of the Plan and/or Award shall not be affected except to the extent necessar
illegal, invalid or unenforceable provision.

(c) The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not cons
shall they affect its meaning, construction or effect.

(d) The terms of the Plan and any Award shall inure to the benefit of and be binding upon the parties hereto and their respect
beneficiaries, successors and assigns.

(e) All questions arising under the Plan or under any Award shall be decided by the Administrator in its total and absolute di
Participant believes that a decision by the Administrator with respect to such person was arbitrary or capricious, the Participa
with respect to such decision. The review by the arbitrator shall be limited to determining whether the Administrator s decis
capricious. This arbitration shall be the sole and exclusive review permitted of the Administrator s decision, and the Awarde
receipt of an Award be deemed to explicitly waive any right to judicial review.

(f) Notice of demand for arbitration shall be made in writing to the Administrator within thirty (30) days after the applicable
Administrator. The arbitrator shall be selected from amongst those members of the Board who are neither Administrators nor
such members of the Board, the arbitrator shall be selected by the Board. The arbitrator shall be an individual who is an attor
in the State of Washington. Such arbitrator shall be neutral within the meaning of the Commercial Rules of Dispute Resoluti
Arbitration Association; *provided, however*, that the arbitration shall not be administered by the American Arbitration Assoc
neutrality of the arbitrator shall be resolved by the arbitrator whose decision shall be final and conclusive. The arbitration sha
conducted by the arbitrator pursuant to the Commercial Rules of Dispute Resolution of the American Arbitration Association
arbitrator on the issue(s) presented for arbitration shall be final and conclusive and may be enforced in any court of competer

21. Limitation on Liability.

The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, an
any other persons as to:

(a) *The Non-Issuance of Shares.* The non-issuance or sale of Shares (including under Section 17 above) as to which the Com
Administrator deems it infeasible, to obtain from any regulatory body having jurisdiction the authority deemed by the Compa
to the lawful issuance and sale of any shares hereunder; and

(b) *Tax Consequences.* Any tax consequence realized by any Participant, Employee, Awardee or other person due to the rece
settlement of any Option or other Award granted hereunder or due to the transfer of any Shares issued hereunder. The Partici
by accepting an

Award under the Plan agrees to bear, all taxes of any nature that are legally imposed upon the Participant in connection with
Company does not assume, and will not be liable to any party for, any cost or liability arising in connection with such tax lia
Participant. In particular, Awards issued under the Plan may be characterized by the Internal Revenue Service (the **IRS**) a
the Code resulting in additional taxes, including in some cases interest and penalties. In the event the IRS determines that an
compensation under the Code or challenges any good faith characterization made by the Company or any other party of the t
an Award, the Participant will be responsible for the additional taxes, and interest and penalties, if any, that are determined to
succeeds, and the Company will not reimburse the Participant for the amount of any additional taxes, penalties or interest tha

(c) *Forfeiture.* The requirement that Participant forfeit an Award, or the benefits received or to be received under an Award,
Law.

22. Unfunded Plan.

Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respe
granted Stock Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company
segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such
Company nor the Administrator be deemed to be a trustee of stock or cash to be awarded under the Plan. Any liability of the
with respect to an Award shall be based solely upon any contractual obligations which may be created by the Plan; no such o
shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company n
be required to give any security or bond for the performance of any obligation which may be created by this Plan.

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may cho
methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED
BAR.

Proxies submitted by the Internet or tele
11:59 PM, Eastern Time, on May 17, 201

Vote by Internet

Go to **www.envisionre**

Or scan the QR code w

Follow the steps outline

Vote by telephone

Call toll free 1-800-652-VOTE (8683)
& Canada on a touch tone telephone

Follow the instructions provided by the

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

q **IF YOU HAVE NOT VOTED VIA THE INTERNET <u>OR</u> TELEPHONE, FOLD ALONG THE PERFORATION, D**
THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals The Board of Directors recommends a vote <u>FOR</u> all the nominees listed below and <u>FOR</u> Proposals 2

1. Election of Directors: 01 - Clay B. Siegall 02 - Felix Baker 03 - Nancy A. Simonian

Mark here to vote <u>FOR</u> all nominees	**Mark here to <u>WITHHOLD</u> vote from all nominees**	**For All <u>EXCEPT</u>** - To withhold authority to vote for ar nominee(s), write the name(s) of such nominee(s) below

For Against Abstain

2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2018.

3. To approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity and Incentive Plan to, among other changes, increase the aggregate number of shares of common stock authorized for issuance thereunder by 6,000,000.

4. Advisory vote to approve the compensation of the Company s named executive officers as disclosed in the Company s proxy statement.

B Non-Voting Items

Change of Address Please print new address below.

Comments Please print your comments belo

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, admi guardian, please give full title as such.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please k

/ /

02T37A

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, I AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

Proxy SEATTLE GENETICS, INC.

Notice of 2018 Annual Meeting of Stockholders May 18, 2018

This Proxy is Solicited by the Board of Directors of Seattle Genetics, Inc.

The undersigned hereby appoints Clay B. Siegall and Jean I. Liu, and each of them, with power to act without the other and v as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided below, all the shares of Seattle Stock which the undersigned is entitled to vote, and, in their discretion, to vote upon such other business as may properly co Meeting of Stockholders of Seattle Genetics, Inc. (the Meeting) to be held on Friday, May 18, 2018 at 11:00 a.m. local tim Seattle Genetics, Inc. located at 21823 30th Drive S.E., Bothell, Washington 98021 and or at any adjournment or postpone which the undersigned would possess if present at the Meeting.

UNLESS A CONTRARY DIRECTION IS INDICATED, THIS PROXY WILL BE VOTED FOR ALL OF THE N DIRECTOR LISTED IN PROPOSAL NO. 1, FOR PROPOSAL NOS. 2, 3 AND 4, AS MORE SPECIFICALLY D PROXY STATEMENT. IF SPECIFIC INSTRUCTIONS ARE INDICATED, THIS PROXY WILL BE VOTED IN A THEREWITH. IN THEIR DISCRETION, THE PROXIES OF THE UNDERSIGNED ARE AUTHORIZED TO VO ALL OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING.

(Continued and to be marked, dated and signed, on the other side)