

SEATTLE GENETICS INC /WA
Form DEF 14A
April 09, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Seattle Genetics, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box)

No fee required.

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

1. Title of each class of securities to which transaction applies:

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2. Aggregate number of securities to which transaction applies:

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

4. Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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6. Amount Previously Paid:

7. Form, Schedule or Registration Statement No.:

8. Filing Party:

9. Date Filed:

April 9, 2010

Dear Seattle Genetics Stockholders:

On behalf of Seattle Genetics, Inc., I cordially invite you to attend our 2010 Annual Meeting of Stockholders to be held on Friday, May 21, 2010, at 11:00 a.m., local time, at our principal offices located at 21823 30th Drive S.E., Bothell, WA 98021.

Enclosed are the following:

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

Our 2009 Annual Report to Stockholders; and

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

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

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

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

Sincerely,

Clay B. Siegall, Ph.D.

President and Chief Executive Officer

YOUR VOTE IS IMPORTANT

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

21823 30TH DRIVE S.E.

BOTHELL, WA 98021

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 21, 2010

The 2010 Annual Meeting of Stockholders (the Annual Meeting) of Seattle Genetics, Inc., a Delaware corporation (Seattle Genetics), will be held on Friday, May 21, 2010 at 11:00 a.m. local time at the principal offices of Seattle Genetics located at 21823 30TH Drive S.E., Bothell, Washington 98021, for the following purposes:

1. To elect the three nominees for director named in the accompanying proxy statement, to hold office until our 2013 Annual Meeting of Stockholders;
 2. To approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan to increase the aggregate number of shares of common stock authorized for issuance thereunder by 7,500,000 shares, and to make certain other changes thereto as described in the accompanying proxy statement;
 3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010; and
 4. To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.
- You can find more information about each of these items, including the nominees for directors, in the attached Proxy Statement.

The Board of Directors has fixed the close of business on March 26, 2010 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

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

By Order of the Board of Directors,

Eric L. Dobmeier

Corporate Secretary

Bothell, Washington

April 9, 2010

YOUR VOTE IS IMPORTANT

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

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 21, 2010 at 21823 30 Drive S.E., Bothell, Washington 98021

The proxy statement and annual report to stockholders are available at

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

SEATTLE GENETICS, INC.

PROXY STATEMENT FOR THE

2010 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 21, 2010

Our Board of Directors is soliciting proxies for the 2010 Annual Meeting of Stockholders. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

The Board has set the close of business on March 26, 2010 as the record date for the Annual Meeting. Stockholders of record who owned our common stock on that date are entitled to vote at and attend the Annual Meeting. Each share of common stock is entitled to one vote. There were 100,668,212 shares of common stock outstanding on the record date.

Voting materials, which include this proxy statement, a proxy card and our 2009 Annual Report, are being mailed to stockholders on or about April 9, 2010. This proxy statement and our 2009 Annual Report are also available on the Internet at <http://materials.proxyvote.com/812578>.

In this proxy statement:

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

Annual Meeting means our 2010 Annual Meeting of Stockholders;

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

SEC means the Securities and Exchange Commission.

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

TIME AND PLACE OF THE ANNUAL MEETING

The Annual Meeting is being held on Friday, May 21, 2010 at 11:00 a.m. local time at our principal offices located at 21823 30 Drive S.E., Bothell, Washington 98021.

All stockholders who owned shares of our stock as of March 26, 2010, the record date, may attend and vote on the proposals considered at the Annual Meeting.

PURPOSE OF THE PROXY STATEMENT AND PROXY CARD

You are receiving this proxy statement and proxy card from us because you owned shares of our common stock on March 26, 2010, the record date. This proxy statement describes the proposals on which we would like you, as a stockholder, to vote. It also gives you information on these proposals so that you can make an informed decision.

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

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

You are being asked to vote:

to elect the three nominees for director named in this proxy statement, to hold office until our 2013 Annual Meeting of Stockholders;

to approve the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan to increase the aggregate number of shares of common stock authorized for issuance thereunder by 7,500,000 shares, and to make certain other changes thereto as described in this proxy statement; and

to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010.

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

VOTING OPTIONS

You may vote by mail.

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

You may vote in person at the Annual Meeting.

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

You may vote by telephone or electronically via the Internet.

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

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

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

signing another proxy with a later date;

submitting a new proxy by telephone;

submitting a new proxy via the Internet; or

voting in person at the Annual Meeting.

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

MULTIPLE PROXY CARDS

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

QUORUM REQUIREMENT

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

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

has properly submitted a proxy card.

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

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

If your shares are held in your name, you must return your proxy (or attend the Annual Meeting in person) in order to vote on the proposals. If the shares you own are held in street name by a brokerage firm, your brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your brokerage firm provides you. Many brokers also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your brokerage firm on your vote instruction form. Under the current rules that govern brokers, if you do not give instructions to your brokerage firm, it will still be able to vote your shares with respect to discretionary items, but will not be allowed to vote your shares with respect to non-discretionary items.

The election of directors (Proposal No. 1) and the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan (Proposal No. 2) are non-discretionary items. If you do not instruct your broker how to vote with respect to these items, your broker may not vote with respect to these proposals and those votes will be counted as broker non-votes. The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3) is considered to be discretionary and your brokerage firm will be able to vote on Proposal No. 3 even if it does not receive instructions from you, so long as it holds your shares in its name.

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

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

REQUIRED VOTES

Assuming that a quorum is present, the three nominees receiving the highest number of FOR votes (from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors) will be elected as directors. The approval of Proposal No. 2, the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan, will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal No. 3), will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

VOTE SOLICITATION; NO USE OF OUTSIDE SOLICITORS

The Board of Directors of Seattle Genetics is soliciting your proxy to vote your shares at the Annual Meeting. In addition to this solicitation by mail, our directors, officers and other employees may contact you by telephone, via the Internet, in person or otherwise to obtain your proxy. These persons will not receive any additional compensation for assisting in the solicitation. We will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners. We will reimburse these entities and our transfer agent for their reasonable out-of-pocket expenses in forwarding proxy materials. We have not retained the services of a proxy solicitor.

VOTING PROCEDURES

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

The shares represented by the proxy cards received, properly marked, dated, signed and not revoked and votes properly cast by telephone or Internet, will be voted at the Annual Meeting. If the proxy card specifies a choice with respect to any matter to be acted on, the shares will be voted in accordance with that specified choice. Any proxy card that is returned but not marked will be voted FOR the director nominees to be voted upon, FOR the amendment and restatement of the Seattle Genetics, Inc. Amended and Restated 2007 Equity Incentive Plan, FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm, and as the proxy holders deem desirable for any other matters that may properly come before the Annual Meeting.

We believe that the procedures to be used by the Inspector to count the votes are consistent with Delaware law concerning voting of shares and determination of a quorum.

PUBLICATION OF VOTING RESULTS

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

OTHER BUSINESS

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

PROPOSALS FOR 2011 ANNUAL MEETING

To have your proposal included in our proxy statement for the 2011 Annual Meeting, you must submit your proposal in writing by December 10, 2010 to Eric L. Dobmeier, Corporate Secretary, Seattle Genetics, 21823 30th Drive S.E., Bothell, Washington 98021, and you must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. However, if the 2011 Annual Meeting is not held between April 21, 2011 and June 20, 2011, then the deadline will be a reasonable time prior to the time we begin to print and send our proxy materials.

Proposals of stockholders and director nominations intended to be considered at the 2011 Annual Meeting but not included in our proxy statement for that meeting must be received at the above address no earlier than January 21, 2011 and no later than February 20, 2010; provided, however, that in the event the date of the 2011 Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from the date of this year's Annual Meeting, and less than 60 days notice is given prior to the 2011 Annual Meeting, then such proposal must be received not later than the 10th day following the day on which public announcement of the date of such meeting is first made. We also advise you to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. A stockholder's notice to our Corporate Secretary must set forth the information required by our bylaws with respect to each matter the stockholder proposes to bring before the 2011 Annual Meeting. The Chairman of the 2011 Annual Meeting may determine, if the facts warrant, that a matter has not been properly brought before the meeting and, therefore, may not be considered at the meeting. In addition, the proxy solicited by the Board of Directors for the 2011 Annual Meeting will confer discretionary voting authority with respect to (i) any proposal presented by a stockholder at that meeting for which Seattle Genetics has not been provided with timely notice and (ii) any proposal made in accordance with our bylaws, if the 2011 proxy statement briefly describes the matter and how management proxy holders intend to vote on it, if the stockholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Securities Exchange Act of 1934.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are forward-looking statements for purposes of these provisions, including those relating our future financial performance or other future events, such as statements relating to future clinical development of our product candidates, and potential regulatory filings and marketing approvals of brentuximab vedotin and our other product candidates. In some cases, you can identify forward-looking statements by terminology such as may, might, will, should, expect, plan, a project, believe, estimate, predict, potential, possible, intend or continue, the negative of terms like these or other comparable terms, or other words or terms of similar meaning in connection with any discussion of future operating or financial performance. These statements are only predictions, and any or all of our forward-looking statements in this proxy statement may turn out to be wrong. Actual results or developments may differ materially from those projected or implied in these forward-looking statements. Factors that may cause such a difference include the risks that we may experience delays in the completion of our clinical trials, whether caused by competition, adverse events, patient enrollment rates, regulatory issues or other factors; that data from our phase I clinical trials of brentuximab vedotin may not necessarily be indicative of the subsequent clinical trial results, including our pivotal clinical trial results; and that the safety and/or efficacy results of these trials, including the brentuximab vedotin pivotal clinical trial for relapsed or refractory Hodgkin lymphoma, will not support continued development or an application for marketing approval in the United States or any other country. We may also fail to achieve milestones under our collaborations and experience unforeseen increased expenses or unexpected reductions in revenues. More information about the risks and uncertainties faced by Seattle Genetics is contained under heading Risk Factors in our annual report on Form 10-K for the year ended December 31, 2009 filed with the Securities and Exchange Commission. Seattle Genetics disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

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

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

The Board of Directors is presently composed of nine members. The Class III directors, whose terms expire at the 2010 Annual Meeting, are Marc E. Lippman, Franklin M. Berger and Daniel G. Welch. The Class I directors, whose terms expire at the 2011 Annual Meeting, are Srinivas Akkaraju, David W. Gyska and John P. McLaughlin. The Class II directors, whose terms expire at the 2012 Annual Meeting, are Clay B. Siegall, Felix Baker and Daniel F. Hoth. Our stockholders only elect one class of directors at each annual meeting. The other classes continue to serve for the remainder of their three-year terms.

Marc E. Lippman, Franklin M. Berger and Daniel G. Welch have been recommended by the Nominating and Corporate Governance Committee of the Board of Directors for election at the Annual Meeting and have been nominated by the Board for election at the Annual Meeting as Class III directors for three-year terms expiring at the 2013 Annual Meeting. Each of these nominees listed below, except for Mr. Welch, is currently a director who was previously elected by the stockholders. Mr. Welch was identified by the members of the Nominating and Corporate Governance Committee as part of its conducting a search for potential directors and was appointed to the Board to fill a vacancy in June 2007.

Marc E. Lippman, Franklin M. Berger and Daniel G. Welch are elected by receiving the greatest number of votes cast for their election by holders of common stock that are present in person or represented by proxy and entitled to vote at the meeting.

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

NOMINEES FOR THE BOARD OF DIRECTORS; CONTINUING DIRECTORS

The names of the nominees and of the directors whose terms of office will continue after the Annual Meeting, their ages as of May 21, 2010, and certain other information about them are set forth below. The Nominating and Corporate Governance Committee seeks to assemble a Board that, as a group, provides a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. To that end, the Nominating and Corporate Governance Committee has identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting and retaining members who complement and strengthen the skills of the other members of the Board and who also exhibit integrity, collegiality, sound business judgment and other qualities that the Nominating and Corporate Governance Committee views as critical to effective functioning of the Board. The brief biographies below

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

Name of Director Nominee	Age	Company Positions/Offices	Director Since	Term Expires
Marc E. Lippman, M.D. (3)	65	Director	June 2000	2010
Franklin M. Berger (2) (3)	60	Director	June 2004	2010
Daniel G. Welch (1)	52	Director	June 2007	2010
Continuing Directors				
Name of Director	Age	Company Positions/Offices	Director Since	Term Expires
Srinivas Akkaraju, M.D., Ph.D. (3)	42	Director	July 2003	2011
David W. Gryska (1) (2)	54	Director	March 2005	2011
John P. McLaughlin (2)	58	Director	June 2007	2011
Clay B. Siegall, Ph.D.	49	President, Chief Executive Officer and Chairman of the Board	December 1997	2012
Felix Baker, Ph.D. (1) (3)	41	Lead Independent Director	July 2003	2012
Daniel F. Hoth, M.D.	64	Director	March 2006	2012

(1) Member of Compensation Committee

(2) Member of Audit Committee

(3) Member of Nominating and Corporate Governance Committee

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

DIRECTOR NOMINEE PROFILES

Marc E. Lippman, M.D. Dr. Lippman has served as one of our directors since June 2000. Since May 2007, Dr. Lippman has served as the Kathleen and Stanley Glaser Professor of Medicine at the University of Miami Leonard M. Miller School of Medicine, and Chairman of the Department of Medicine. Previously, from February 2001 to May 2007 he served as the John G. Searle Professor and Chairman of the Department of Internal Medicine at the University of Michigan School of Medicine. Previously, Dr. Lippman was the Director of the Lombardi Cancer Research Center from July 1988 to February 2001, Professor and Chairman of the Department of Oncology from July 1999 to February 2001 and Professor of Medicine at Georgetown University Medical School in Washington, D.C. from July 1988 to February 2001. He also served as Chief of the Division of Hematology-Oncology at Georgetown University Medical School from July 1995 to February 2001. He was Head of the Medical Breast Cancer Section of the Medicine Branch of the National Cancer Institute from July 1976 to July 1988. Dr. Lippman has authored over 400 peer-reviewed publications and one of the standard texts on breast cancer. He serves as chair of the Scientific Advisory Board for the Perseus-Soros Fund and is a director of Ascenta Therapeutics, Inc., a privately-held biotechnology company. He received a B.A., magna cum laude, from Cornell and an M.D. from Yale where he was elected to Alpha Omega Alpha. Dr Lippman's extensive experience in treating patients and conducting oncology research at the National Cancer Institute and at the medical schools of the University of Miami, the University of Michigan and Georgetown University provides an important patient perspective and focus on innovation in our development of antibody-based therapies.

Franklin M. Berger, CFA Mr. Berger has served as one of our directors since June 2004. Mr. Berger is a biotechnology industry analyst with over 25 years of experience in capital markets and financial analysis. He served most recently as Managing Director, Equity Research and Senior Biotechnology Analyst at J.P. Morgan Securities from May 1998 to March 2003. In this position, he initiated team coverage of 26 biotechnology companies and was responsible for technical, scientific and clinical due diligence as well as company selection.

Previously, Mr. Berger served in similar capacities at Salomon Smith Barney from August 1997 to May 1998 and at Josephthal & Co. from November 1991 to August 1997. Prior to his work as a biotechnology analyst, he managed Pantagruel Partners, a firm that developed early-stage pharmaceutical compounds for sale to drug companies and venture capital firms. He holds an M.B.A. from the Harvard Graduate School of Business Administration and an M.A. in International Economics and a B.A. in International Relations both from Johns Hopkins University. In addition to Seattle Genetics, Mr. Berger serves as a director of VaxGen, Inc., Isotechnika Inc. and Thallion Pharmaceuticals Inc., all publicly-traded biotechnology companies. In addition, Mr. Berger previously served as a director of Emisphere Technologies, Inc., a publicly-traded company. Mr. Berger's financial background and experience as an equity analyst in the biotechnology industry combined with his experience serving on the boards of directors of multiple public companies is important to our strategic planning and financing activities as well as providing valuable experience in his role as chair of our Audit Committee.

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

THE BOARD RECOMMENDS A VOTE FOR

THE ELECTION OF EACH OF OUR NOMINEES NAMED ABOVE.

CONTINUING DIRECTOR PROFILES

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

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

John P. McLaughlin Mr. McLaughlin has served as one of our Directors since June 2007. Since December 2008, Mr. McLaughlin has been President and Chief Executive Officer of PDL BioPharma, Inc., a publicly-traded biotechnology company. Previously he was Chief Executive Officer and a member of the Board of Directors of Anesiva, Inc., a biotechnology company, from January 2000 to June 2008. Prior to Anesiva, he was President of Tularik Inc., and before that spent 11 years at Genentech, Inc. in a number of senior management positions including Executive Vice President. Previously, Mr. McLaughlin represented pharmaceutical companies as a partner in a Washington, D.C. law firm that specializes in food and drug law and served as legal counsel to various subcommittees at the U.S. House of Representatives, drafting numerous measures that became U.S. Food and Drug Administration laws. Mr. McLaughlin was also co-founder, a director and Chairman of the Board of Eyetech Pharmaceuticals, Inc., which was acquired by OSI Pharmaceuticals in 2005. He is also a director and co-founder of Peak Surgical, Inc., a privately-held medical device company, and PDL BioPharma, Inc. In addition, Mr. McLaughlin previously served as a director of Anesiva, Inc., which was a publicly-traded company during Mr. McLaughlin's service as a director. Mr. McLaughlin earned a B.A. from the University of Notre Dame and a J.D. from the Catholic University of America. As the current CEO of a

biotechnology company and former senior executive of several other biotechnology companies, Mr. McLaughlin possesses a strong understanding of the biotechnology industry and the competitive landscape that we must address in order to commercialize our products. In addition, his past experience representing pharmaceutical companies in food and drug law and his contributions to pharmaceutical legislation add a unique perspective that is valuable to our senior management.

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

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

Daniel F. Hoth, M.D. Dr. Hoth has served as one of our directors since March 2006. Since December 2001, he has served as President of Hoth Consulting, where he provides drug development and clinical trial consulting services to pharmaceutical and biotechnology companies. Previously, Dr. Hoth served as Senior Vice President and Chief Medical Officer of Axys Pharmaceuticals, Inc. (now Celera Genomics) from June 1999 to December 2001 and as Chief Medical Officer of Cell Genesys, Inc. from July 1993 to June 1997. From 1981 to 1993, he held various positions at the National Institutes of Health (NIH), including Director, Division of AIDS at the National Institute of Allergy and Infectious Diseases, and Chief of the Investigational Drug Branch of the National Cancer Institute. Before the NIH, he was on the faculty of the Georgetown University School of Medicine. Dr. Hoth received his M.D. from Georgetown University School of Medicine and his A.B. in Psychology from Franklin and Marshall College. Having served as a researcher in an academic setting at the NIH and Georgetown University, as well as serving in senior executive roles in an industry setting at Axys Pharmaceuticals and Cell Genesys, Dr. Hoth has strong clinical and medical strategy skills, which provide important insight to our Board of Directors.

EXECUTIVE OFFICERS

The executive officers of Seattle Genetics who are not also directors of Seattle Genetics, their ages as of May 21, 2010 and certain other information about them are set forth below:

Name of Non-Director Executive Officers	Age	Company Positions/Offices
Todd E. Simpson	49	Chief Financial Officer
Eric L. Dobmeier	41	Chief Business Officer and Corporate Secretary
Thomas C. Reynolds, M.D., Ph.D.	51	Chief Medical Officer
Morris Z. Rosenberg, D.Sc.	50	Executive Vice President, Process Sciences
Vaughn B. Himes, Ph.D.	49	Executive Vice President, Technical Operations
Bruce J. Seeley	46	Executive Vice President, Commercial

EXECUTIVE OFFICER PROFILES

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

Eric L. Dobmeier Mr. Dobmeier joined Seattle Genetics in March 2002 and has served as our Chief Business Officer since May 2007. Previously, he served as our Senior Vice President, Corporate Development from February 2005 to May 2007, as our Vice President, Corporate Affairs from August 2003 to February 2005 and as our Senior Director, Legal Affairs from March 2002 to August 2003. He has also served as our Corporate Secretary since March 2002 and was our General Counsel from March 2002 to September 2006. Prior to joining Seattle Genetics, Mr. Dobmeier was with the law firms of Venture Law Group and Heller Ehrman LLP where he represented technology companies in connection with public and private financings, mergers and acquisitions and corporate partnering transactions. Mr. Dobmeier received a J.D. from University of California, Berkeley and an A.B. in History from Princeton University.

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

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

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

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

INDEPENDENCE OF THE BOARD OF DIRECTORS

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

Management has reviewed the directors' responses to a questionnaire asking about their transactions, relationships and arrangements with Seattle Genetics (and those of their immediate family members) and other potential conflicts of interest. Other than as set forth below, these questionnaires did not disclose any transactions, relationships or arrangements that question the independence of our directors. After reviewing this information, our Board of Directors has determined that all of our directors are independent directors within the meaning of the applicable NASDAQ listing standards except for Clay B. Siegall, our President and Chief Executive Officer, and Daniel F. Hoth as a result of consulting activities provided to Seattle Genetics by Dr. Hoth. The Board of Directors also considered Mr. Baker's employment as Managing Member of Baker Bros. Advisors, LLC, and the relationship Seattle Genetics has with Baker Bros. Advisors, LLC and affiliated entities as significant stockholders in making the determination that Mr. Baker is independent.

BOARD LEADERSHIP STRUCTURE AND RISK OVERSIGHT

Board Leadership Structure

Our Board of Directors has chosen to combine the principal executive officer and Board chairman positions and, in addition, has appointed a separate lead independent director. Dr. Siegall has served as the principal executive officer and Board chairman since 2004. At the present time, the independent directors believe that Dr. Siegall's in-depth knowledge of our operations and vision for its development make him the best-qualified director to serve as Board chairman. We believe that combining the positions of chief executive officer and Board chairman provides a single, clear chain of command to execute our strategic initiatives and business plans. In addition, we believe that a combined chief executive officer/Board chairman is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information. We also believe that it is advantageous to have a Board chairman with an extensive history with and knowledge of Seattle Genetics (as is the case with our chief executive officer) as compared to a relatively less informed independent Board chairman.

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

providing leadership to the Board complementary to the Board chairman;

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

chairing regular meetings of independent directors without management present; and

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

Board Risk Oversight

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

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

The Compensation Committee evaluates the risks and rewards associated with our compensation philosophy and programs. As discussed in more detail below in this proxy statement under the caption "Compensation and Risk" beginning on page 46, the Compensation Committee reviews and approves compensation programs with features that mitigate risk without diminishing the incentive nature of the compensation. Management discusses with the Compensation Committee the procedures that have been put in place to identify and mitigate potential risks in compensation.

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

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During 2009, the Board met seven times and acted by written consent three times. On at least a quarterly basis, the Board meets in executive sessions of independent directors without management present. The Board has several committees, including a Compensation Committee, an Audit Committee and a Nominating and Corporate Governance Committee. During 2009, each of our directors attended at least 75% of the aggregate of Board and applicable committee meetings on which he served during 2009 for the period that he was a director or committee member.

Information about the Compensation Committee

The Compensation Committee consists of Felix Baker (chairman), David W. Gryska and Daniel G. Welch. The Board of Directors has determined that all of the members of the Compensation Committee currently serving are independent as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards.

The Compensation Committee held three meetings and acted by written consent three times during 2009. The functions of the Compensation Committee are to establish and administer our policies regarding annual executive salaries, cash incentives and long-term equity incentives. The Compensation Committee also administers our 1998 Stock Option Plan, Amended and Restated 2007 Equity Incentive Plan and 2000 Employee Stock Purchase Plan. The Compensation Committee also reviews with management our Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings. The Compensation Committee operates under a written charter setting forth the functions and responsibilities of the committee. A copy of the Compensation Committee charter can be viewed on our website at www.seattlegenetics.com.

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

Information about the Audit Committee

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

The Audit Committee held seven meetings and acted by written consent two times during 2009. Among its responsibilities, the Audit Committee appoints and establishes the fees for our independent registered public accounting firm, reviews and approves the procedures we use to prepare our periodic reports, reviews and approves our critical accounting policies, reviews the independence of the independent registered public accounting firm, monitors the effectiveness of the audit effort and oversees our financial and accounting organization and our system of internal accounting controls. The Audit Committee operates under a written charter setting forth the functions and responsibilities of the committee, which is reviewed annually and amended as necessary by the Audit Committee and the Board of Directors to ensure compliance with all applicable laws and regulations, including the Sarbanes-Oxley Act of 2002 and corporate governance standards adopted by NASDAQ. A copy of the Audit Committee charter can be viewed on our website at www.seattlegenetics.com.

Information about the Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Srinivas Akkaraju (chairman), Felix Baker, Franklin M. Berger and Marc E. Lippman. The Board of Directors has determined that all of the members of the Nominating Committee are independent as that term is defined in Rule 5605(a)(2) of the NASDAQ listing standards.

There were no vacancies on our Board of Directors during 2009, and our Nominating and Corporate Governance Committee provided nomination recommendations for 2009 in December 2008, so therefore did not meet in 2009. The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to serve as members of the Board of Directors, recommending nominees to the Board for election as directors of Seattle Genetics and as members of the committees of the Board of Directors, as well as developing and recommending to the Board's corporate governance guidelines and providing oversight with respect to corporate governance and ethical conduct. The Nominating and Corporate Governance Committee operates under a written charter setting forth the functions and responsibilities of the committee. A copy of the Nominating and Corporate Governance Committee charter can be viewed on our website at www.seattlegenetics.com.

The Nominating and Corporate Governance Committee assesses many characteristics and diversity considerations when reviewing director candidates and these characteristics are set forth in our Nominating and

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

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

In accordance with our bylaws and applicable law, recommendations for nominations for directors may be made by any stockholder of record entitled to vote for the election of directors at stockholder meetings held for such purpose. The requirements a stockholder must follow for recommending persons for election as directors are set forth in our bylaws and the section of this proxy statement titled "Proposals for 2011 Annual Meeting." If a stockholder complies with these procedures for recommending persons for election as directors, the Nominating and Corporate Governance Committee will conduct the appropriate and necessary inquiries into the backgrounds, qualifications and skills of the recommended candidates and, in the exercise of the Nominating and Corporate Governance Committee's independent judgment in accordance with the policies and procedures adopted in the Nominating and Corporate Governance Committee's charter, will determine whether to recommend the candidate(s) recommended by the stockholders to the Board for inclusion in the list of candidates for election as directors at the next stockholder meeting held to elect directors. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates director candidates based on whether or not the candidate was recommended by a stockholder.

Annual Meeting Attendance

Although we do not have a formal policy regarding attendance by members of the Board of Directors at our annual meetings of stockholders, directors are encouraged to attend. Seven directors attended the 2009 annual meeting of stockholders.

CERTAIN OTHER CORPORATE GOVERNANCE MATTERS

Communications with the Board of Directors

Our Board of Directors currently does not have a formal process for stockholders to send communications to the Board of Directors. Nevertheless, efforts are made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and that appropriate responses are provided to stockholders on a

timely basis. The Board does not recommend that formal communication procedures be adopted at this time because it believes that informal communications are sufficient to communicate questions, comments and observations that could be useful to the Board. However, stockholders wishing to formally communicate with the Board of Directors may send communications directly to Seattle Genetics, Inc., Attention: Investor Relations, 21823 30th Drive Southeast, Bothell, WA 98021, and the communication will be forwarded, as appropriate. If the communication regards a stockholder proposal to be considered at an annual meeting of stockholders, the methods and timing for submitting a stockholder proposal are covered on page 5 of this proxy statement under the caption "Proposals for 2011 Annual Meeting."

Code of Ethics

The Board of Directors has adopted a Code of Ethics for all directors, officers and employees of Seattle Genetics, Inc. A copy of the Code of Ethics can be viewed on our website at www.seattlegenetics.com. We will disclose any amendment to the Code of Ethics or waiver of a provision of the Code of Ethics for directors, executive officers and other senior financial officers, including the name of the director or executive officer to whom the waiver was granted, on a Form 8-K filed with the SEC.

Whistleblower Policy

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

DIRECTOR COMPENSATION

Cash Compensation. The Board revised nonemployee director compensation in May 2007 by instituting a retainer fee for service on the Board and the various committees rather than paying on a meeting-by-meeting basis to better reflect the manner in which our senior management interacts with our directors. This change was the result of a comparison of nonemployee director compensation at peer companies and was approved by the Board of Directors. In February 2010, the Board increased the retainer amounts as set forth below. Our nonemployee directors received an annual retainer of \$30,000 in 2009 for their service on the Board and will receive an annual retainer of \$40,000 in 2010, plus reimbursement for out-of-pocket expenses incurred in connection with attendance at Board and Board committee meetings. In addition, in 2010 Dr. Baker will receive an annual retainer of \$12,000 for his service as lead independent director.

Our nonemployee directors also receive additional annual retainers for service on committees of the Board. In this regard, the chairman of our Audit Committee, Mr. Berger, received an annual retainer of \$16,000 in 2009 and will receive an annual retainer of \$20,000 in 2010. The chairmen of our Compensation Committee, our Nominating and Corporate Governance Committee and our Science Committee (Dr. Baker, Dr. Akkaraju and Dr. Lippman, respectively) each received an annual retainer of \$5,000 for their service as Chairmen of their respective committees in 2009. In 2010, Dr. Baker will receive an annual retainer of \$12,000 for his service as chairman of the Compensation Committee and Dr. Akkaraju will receive an annual retainer of \$5,000 for his service as chairman of our Nominating and Corporate Governance Committee.

Members of the Audit Committee, except the chairman, received an annual retainer of \$8,000 in 2009 and will receive an annual retainer of \$10,000 in 2010, members of our Compensation Committee, except the chairman, received an annual retainer of \$3,000 in 2009 and will receive an annual retainer of \$6,000 in 2010, members of our Nominating and Corporate Governance Committee, except the chairman, received an annual retainer of \$3,000 in 2009 and will continue to receive the same retainer in 2010, and members of our Science Committee, except the chairman, received an annual retainer of \$2,000 in 2009. Our Science Committee was dissolved in February 2010 and as a result, no retainers will be paid in connection with that committee in 2010. If

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

Equity Compensation. Our 2000 Directors' Stock Option Plan, or the Directors' Plan, provides that each person who becomes a nonemployee director of Seattle Genetics is granted an initial nonstatutory stock option to purchase 25,000 shares of our common stock. This initial option is granted on the date on which the optionee first becomes a nonemployee director of Seattle Genetics. Srinivas Akkaraju and Felix Baker were not granted an initial option upon becoming directors of Seattle Genetics because they joined the Board in conjunction with their affiliated investment funds making substantial equity investments in Seattle Genetics. Thereafter, on the date of each annual meeting of stockholders, each nonemployee director is granted an annual nonstatutory stock option to purchase 10,000 shares of common stock if, on such date, he or she has served on the Board for at least six months. In February 2010, the annual nonstatutory stock option was increased by 7,500 shares to a total of 17,500 shares of common stock. Accordingly, Felix Baker, Marc E. Lippman, Franklin M. Berger, Srinivas Akkaraju, David W. Gryska, Daniel F. Hoth, John P. McLaughlin and Daniel G. Welch will each receive an annual option for 17,500 shares of common stock under the Directors' Plan on the date of the Annual Meeting. Both initial options and annual options have ten year terms and are subject to adjustment to reflect any stock splits, stock dividends, combinations or similar transactions.

The annual options become fully exercisable on the day before the anniversary of the date of grant of the annual option, and the initial options become exercisable as to 1/4th of the shares subject to the initial option on the first anniversary of the date of grant and as to 1/36th of the remaining shares subject to the initial option ratably each month thereafter. In addition, all nonemployee directors receive full acceleration of vesting of any outstanding options immediately prior to a change in control of Seattle Genetics. The exercise price of the options is equal to the fair market value of our common stock on the NASDAQ Global Market on the date the option is granted. The options remain exercisable for up to ninety days following the optionee's termination of service as a member of the Board of Directors, unless such termination is a result of death or disability, in which case the options remain exercisable for up to a twelve-month period (or such lesser period as is determined by the Board). Felix Baker, Marc E. Lippman, Franklin M. Berger, Srinivas Akkaraju, David W. Gryska, Daniel F. Hoth, John P. McLaughlin and Daniel G. Welch each received an annual option for 10,000 shares on May 15, 2009, the date of our 2009 Annual Meeting. In order to align the interests of the directors with Seattle Genetics' stockholders, our Corporate Governance Guidelines state that all directors should, not later than three years from the date an individual becomes a director, own a number of shares of Seattle Genetics common stock with a value not less than three times the annual cash retainer paid by Seattle Genetics to such director, and thereafter such director should continue to own a number of shares with such value until he or she is no longer a director. All of our directors were in compliance with these director ownership guidelines as of December 31, 2009, the date the Nominating and Corporate Governance Committee used to assess such compliance for 2009.

Consulting Arrangement. In 2009, Dr. Hoth provided consulting services involving clinical and drug development matters to Seattle Genetics. As indicated in the below table, Seattle Genetics paid Dr. Hoth \$17,200 for his consulting services during 2009 pursuant to the Consulting Agreement between Seattle Genetics and Hoth Consulting Inc. dated June 8, 2006. Under this agreement, Dr. Hoth (through Hoth Consulting) assists Seattle Genetics from time to time with development of its product candidates on a time and expenses basis. The agreement is terminable by either party, with or without cause, on thirty days' written notice to the other party.

Processes and Procedures for Determining Director Compensation. The full Board of Directors considers and determines director compensation and seeks input from executive officers and outside compensation consultants as it deems appropriate. For example, in December 2009, Compensia, Inc., our Compensation Committee's compensation consultant, conducted a survey of director compensation at our peer group companies listed in Compensation Discussion and Analysis Compensation Philosophy and Objectives beginning on page 36, to compare our director compensation to director compensation at these peer group companies. As a result of that survey, we adjusted our compensation to better reflect the average compensation received by members of the boards of directors of our peer companies.

Director Compensation Table. The following table sets forth all of the compensation awarded to, earned by, or paid to each person who served as a nonemployee director during 2009. Dr. Siegall, our only employee director, receives no compensation for Board service but is reimbursed for reasonable and customary travel expenses.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(1)(10)	All Other Compensation (\$)	Total (\$)
Marc E. Lippman, M.D. (2)	38,000	38,898		76,898
Franklin M. Berger (3)	49,000	38,898		87,898
Srinivas Akkaraju, M.D., Ph.D. (4)	35,000	38,898		73,898
David W. Gryska (5)	41,000	38,898		79,898
Felix Baker, Ph.D. (6)	38,000	38,898		76,898
Daniel F. Hoth, M.D. (7)	32,000	38,898	17,200	88,098
John P. McLaughlin (8)	38,000	38,898		76,898
Daniel G. Welch (9)	33,000	38,898		71,898

- (1) The amounts in this column represent the aggregate full grant date fair value of options granted during 2009 calculated in accordance with FASB ASC Topic 718 with no estimate for future forfeitures. For information regarding the assumptions used in calculating these amounts, see Note 9 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2009.
- (2) Dr. Lippman is currently a member of our Nominating and Corporate Governance Committee. The fees earned include a \$30,000 retainer for Board service, a \$5,000 retainer for service as the chairman of our Science Committee, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (3) Mr. Berger is currently a member of our Audit Committee and Nominating and Corporate Governance Committee. The fees earned include a \$30,000 retainer for Board service, a \$16,000 retainer for service as the chairman of our Audit Committee, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (4) Dr. Akkaraju is currently a member of our Nominating and Corporate Governance Committee. The fees earned include a \$30,000 retainer for Board service and a \$5,000 retainer for service as the chairman of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (5) Mr. Gryska is currently a member of our Audit Committee and Compensation Committee. The fees earned include a \$30,000 retainer for Board service, an \$8,000 retainer for service as a member of the Audit Committee, and a \$3,000 retainer for service as a member of the Compensation Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (6) Dr. Baker is currently our lead independent director and is a member of our Compensation Committee and Nominating and Corporate Governance Committee. The fees earned include a \$30,000 retainer for Board service, a \$5,000 retainer for service as the chairman of our Compensation Committee, and a \$3,000 retainer for service as a member of our Nominating and Corporate Governance Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (7) The fees earned include a \$30,000 retainer for Board service and a \$2,000 retainer for service as a member of our Science Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009. The All Other Compensation amount represents fees earned by Dr. Hoth for providing consulting services to Seattle Genetics.

- (8) Mr. McLaughlin is currently a member of our Audit Committee. The fees earned include a \$30,000 retainer for Board service, and an \$8,000 retainer for service as a member of our Audit Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (9) Mr. Welch is currently a member of our Compensation Committee. The fees earned include a \$30,000 retainer for Board service, and a \$3,000 retainer for service as a member of our Compensation Committee. The option awards amount represents the grant date fair value of an option granted on May 15, 2009.
- (10) As of December 31, 2009, our nonemployee directors held outstanding options to purchase the following number of shares of our common stock: Dr. Baker (60,000); Dr. Hoth (44,595); Dr. Lippman (109,166); Mr. Berger (55,000); Dr. Akkaraju (60,000); Mr. Gyska (55,000); Mr. McLaughlin (45,000) and Mr. Welch (45,000).

PROPOSAL NO. 2

APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE SEATTLE GENETICS, INC. AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

In February 2007, the Board adopted, and the stockholders subsequently approved, the Seattle Genetics, Inc. 2007 Equity Incentive Plan, which was amended and restated by the Board in August 2009 to provide for acceleration of vesting in connection with specified change in control events (we refer to the Seattle Genetics, Inc. 2007 Equity Incentive Plan, as amended and restated by the Board in August 2009, as the 2007 Plan in this Proposal No. 2). On March 11, 2010, the Board approved the further amendment and restatement of the 2007 Plan, subject to stockholder approval, to (i) increase the number of shares authorized for issuance under the 2007 Plan by 7,500,000 shares of common stock, (ii) revise the definition of change in control in the 2007 Plan to clarify that in no event will a change in control be deemed to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon shareholder approval of a merger or other transaction, in each case without a change in control actually occurring, and (iii) revise the list of qualifying performance criteria set forth in the 2007 Plan to add U.S. Food and Drug Administration or other regulatory approval of a product candidate, and expand the list of permitted adjustments to performance criteria, as listed in detail below. The Board approved the amendment and restatement of the 2007 Plan in March 2010 (we refer to the 2007 Plan, as amended and restated by the Board in March 2010, as the Restated 2007 Plan throughout this proxy statement) principally because the pool of shares remaining available for issuance under the 2007 Plan is expected to contain fewer than the number of shares needed for one year of grants under our current compensation program by the time of our 2010 Annual Meeting, and the Board believes that we should continue to have shares available in order to grant equity compensation awards to attract and retain employees. The Restated 2007 Plan will not become effective unless it is approved by our stockholders. If the stockholders approve the Restated 2007 Plan, this approval is also intended to satisfy the stockholder approval requirements under Section 162(m) of the Internal Revenue Code of 1987, as amended, or the Code, so as to permit us to deduct under federal income tax law certain amounts paid under the Restated 2007 Plan to executive officers that might otherwise not be deductible, and to permit us to grant incentive stock options eligible for special tax treatment under Code Section 422.

If the Restated 2007 Plan is approved by the stockholders, the Restated 2007 Plan will become immediately effective. If the Restated 2007 Plan is not approved by the stockholders, we may continue to grant equity compensation awards under the 2007 Plan until the pool of shares is exhausted. In addition, if the Restated 2007 Plan is approved by the stockholders, then certain stock awards that may be payable to our Chief Executive Officer and our three other most highly compensated officers (other than our Chief Financial Officer) under a long-term incentive plan, or LTIP, adopted by our Compensation Committee and our Board earlier this year, as described below under the heading Compensation Discussion and Analysis *2010 Compensation Decisions*, may qualify as deductible performance-based compensation under Section 162(m) of the Code. Stock awards, if any, that may be awarded pursuant to the terms of the LTIP will be granted under and will be subject to all of the terms and conditions of the 2007 Plan (or the Restated 2007 Plan if the Restated 2007 Plan is approved by the stockholders). If the Restated 2007 Plan is not approved by the stockholders, then no stock awards may be issued to our Chief Executive Officer and our three other most highly compensated officers (other than our Chief Financial Officer) as awards for meeting the performance criteria under the LTIP.

If the stockholders approve this Proposal No. 2, the material terms of the Restated 2007 Plan will be as follows:

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

the maximum number of shares of common stock that will be available for issuance under the Restated 2007 Plan will be 12,500,000 shares (the maximum number of shares of common stock currently available for issuance under the 2007 Plan is 5,000,000 shares);

shares subject to awards that are canceled, expired or are forfeited (including with respect to any shares that have been issued under an award) 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 or if award shares are withheld or tendered to satisfy applicable withholding obligations, the number of shares tendered or withheld will become available for re-grant under the Restated 2007 Plan;

the exercise price of an option or the grant date fair market value that applies to a stock appreciation right may not be reduced without stockholder approval (other than in connection with certain changes in our capitalization such as stock splits, as further described below);

no awardee may be granted, in any calendar year under the Restated 2007 Plan, options or stock awards covering more than 1,000,000 shares;

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

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

the Restated 2007 Plan permits the grant of awards intended to qualify as performance-based compensation under Code Section 162(m); and

the Restated 2007 Plan will terminate in 2017 unless it is extended or terminated earlier pursuant to its terms.

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

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 Restated 2007 Plan is a summary and so is qualified by reference to the complete text of the Restated 2007 Plan. This summary reflects the terms set forth above.

The purpose of the Restated 2007 Plan is to enhance the long-term stockholder value of Seattle Genetics by offering opportunities to eligible individuals to participate in the growth in value of our equity. Stock options and stock awards, including restricted stock, restricted stock units, stock appreciation rights and similar types of awards, may be granted under the Restated 2007 Plan. Options granted under the Restated 2007 Plan may be either incentive 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 delegated by the Board or the Board committee in accordance with the terms of the Restated 2007 Plan. We refer to the group or person that administers the Restated 2007 Plan from time to time below as the plan administrator.

Eligibility

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Awards may be granted under the Restated 2007 Plan to employees, including our officers, directors and consultants and the officers, directors and consultants of our affiliates. Incentive stock options may be granted only to our employees or the employees of our subsidiaries. As of March 26, 2010 there were approximately 295

employees and eight nonemployee directors eligible to receive awards under the Restated 2007 Plan. The plan administrator selects the employees, directors and consultants to whom awards may be granted, the time or times at which such awards are granted, and the terms of such awards.

Share Reserve

If this Proposal No. 2 is approved, the total number of shares of our common stock reserved for issuance under the Restated 2007 Plan will consist of 12,500,000 shares. A total of 100,668,212 shares of our common stock were outstanding at March 26, 2010. As of December 31, 2009, stock options to purchase 10,681,895 shares were outstanding and no shares underlying awards other than stock options were outstanding under our equity incentive and stock option plans. The weighted average exercise price of all stock options outstanding under our equity incentive and stock option plans as of December 31, 2009 was approximately \$8.93, and the weighted average remaining term of such stock options was approximately 7.09 years. As of December 31, 2009, 741,464 shares remained available for issuance under our equity incentive and stock option plans, of which 441,464 shares remained available for issuance under the 2007 Plan.

Section 162(m) Limitations

Section 162(m) of the Code generally disallows a tax deduction to a public company for compensation in excess of \$1 million paid in a year to the company's principal executive officer or any of the three other most highly compensated officers (other than the principal financial officer). Stock options and other stock awards may qualify as performance-based compensation if the company satisfies certain requirements in connection with the plan under which the awards are granted. Among other requirements, the plan must be stockholder-approved and must contain a limit on the number of shares that may be granted to any one individual under the plan during a specified period. The Restated 2007 Plan provides that no awardee may be granted awards covering more than 1,000,000 shares in any calendar year.

Additional requirements apply to certain forms of compensation, such as stock awards, in order for them to qualify as performance-based compensation, including a requirement that payment of the value of the awards be contingent upon achievement of performance goals that are established in a manner specified under Section 162(m) of the Code. The Restated 2007 Plan permits us to issue awards incorporating performance objectives called qualifying performance criteria. (See Qualifying Performance Criteria below.)

Stockholder approval of this proposal will constitute stockholder approval of the share limitations as well as of the qualifying performance criteria for Section 162(m) purposes, and will permit us to grant stock awards under the Restated 2007 Plan to our Chief Executive Officer and our three other most highly compensated officers (other than our Chief Financial Officer) upon the achievement of the performance criteria set forth under the LTIP. Although we are seeking stockholder approval of the Restated 2007 Plan in a manner that will allow awards granted thereunder to qualify as performance-based compensation under Section 162(m) of the Code, it does not guarantee that awards granted hereunder will so qualify and we from time to time may choose to grant awards that cannot so qualify.

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 terms and conditions.

Exercise Price. The plan administrator determines the exercise price of options at the time the options are granted. The exercise price of an incentive stock option or a nonstatutory stock option may not be less than 100% of the fair market value of the common stock on the date the option is granted; provided that the exercise price of an incentive stock option granted to an employee who holds more than 10% of our voting stock may not be less than 110% of the fair market value of the common stock on the date the option is granted. However, we may grant options with exercise prices equal to less than the fair market value of our common stock on the date of

grant in connection with an acquisition by us of another company. The fair market value of our common stock is the closing price for the shares as reported on the NASDAQ Global Market as of the applicable date. As of March 26, 2010, the closing price of our common stock as reported on the NASDAQ Global Market was \$11.66 per share. No option may be repriced to reduce the exercise price of such option without stockholder approval (except in connection with a change in our capitalization see Adjustments upon Changes in Capitalization, Change of Control or Dissolution below).

Exercise of Option; Form of Consideration. The plan administrator determines when options vest and become exercisable and in its discretion may accelerate the vesting of any outstanding option. Our standard vesting schedule applicable to options granted to employees is 1/4th vested on the one year anniversary of the date of grant and 1/36th of the remaining shares vested monthly thereafter with all shares vested on the four-year anniversary of the date of grant. The means of payment for shares issued upon exercise of an option are specified in each option agreement. The Restated 2007 Plan permits payment to be made by cash, check, wire transfer, other shares of our common stock (with some restrictions), broker assisted same-day sales, cancellation of debt, cashless net exercise arrangements, any other form of consideration permitted by applicable law and the plan administrator, or any combination thereof.

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 incentive stock option granted to an employee who holds more than 10% of our voting stock of may be no more than five years from the date of grant. No option may be exercised after the expiration of its term.

Termination of Employment. If an optionee's employment terminates for any reason other than cause, death or disability, then options held by the optionee under the Restated 2007 Plan generally will be exercisable to the extent they are vested on the termination date for a period of three months (or such other period set by the plan administrator) after the termination but not after the expiration date. If an optionee's employment terminates for cause, then the plan administrator has the authority to terminate all options held by the optionee under the Restated 2007 Plan immediately.

Generally, if an optionee's employment terminates as a result of optionee's death or in the event of optionee's death within 30 days following the optionee's termination of employment, all outstanding options that were vested and exercisable as of the date of the optionee's death or termination of employment, if earlier, may be exercised for six months following the optionee's death but in no event after the expiration date. Generally, if an optionee's employment terminates as a result of the optionee's disability, then all options to the extent they are vested and exercisable on the termination date may be exercised for one year following the termination date but in no event after the expiration date. The plan administrator has the authority to extend the period of time for which an award is to remain exercisable following an awardee's termination (taking into account limitations and consequences under the Code) but not beyond the expiration of the term of the award.

Terms and Conditions of Stock Awards

Stock awards may be restricted stock grants, restricted stock units, stock appreciation rights or other similar stock awards (including awards that do not require the awardee to pay any amount in connection with receiving the shares or that have an exercise or purchase price that is less than the grant date fair market value of our stock). Restricted stock grants are awards of a specific number of shares of our stock. Restricted stock units represent a promise to deliver shares of our common stock, or an amount of cash or property equal to the value of the underlying shares, at a future date. Stock appreciation rights are rights to receive cash and/or shares of our common stock based on the amount by which the exercise date fair market value of a specific number of shares exceeds the grant date fair market value 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 purchase price of the shares, if any, and the means of payment for the shares, (iii) the performance criteria (including qualifying performance criteria), if any, and level of achievement versus these criteria that will

determine the number of shares granted, issued, retainable and vested, as applicable, (iv) such terms and conditions on the grant, issuance, vesting and forfeiture of the shares, as applicable, as may be determined from time to time by the plan administrator, (v) restrictions on the transferability of the stock award or the shares, and (vi) such further terms and conditions, in each case not inconsistent with the Restated 2007 Plan, as may be determined from time to time by the plan administrator; provided, however, that each stock award must have a minimum vesting period of one year from the date of grant.

Nontransferability

Generally, awards granted under the Restated 2007 Plan are not transferable other than by will or the laws of descent and distribution or to a designated beneficiary upon the awardee's death. The plan 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.

Qualifying Performance Criteria

Qualifying performance criteria means any one or more of the performance criteria listed below, either individually, alternatively or in combination, applied to either Seattle Genetics as a whole or to a business unit, affiliate or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the plan administrator in the award agreement: (i) cash flow; (ii) earnings (including gross margin, earnings before interest and taxes, earnings before taxes, and net earnings); (iii) earnings per share; (iv) growth in earnings or earnings per share; (v) stock price; (vi) return on equity or average stockholders' equity; (vii) total stockholder return; (viii) return on capital; (ix) return on assets or net assets; (x) return on investment; (xi) revenue; (xii) income or net income; (xiii) operating income or net operating income, in aggregate or per share; (xiv) operating profit or net operating profit; (xv) operating margin; (xvi) return on operating revenue; (xvii) market share; (xviii) growth in stockholder value relative to the moving average of a peer group index; (xix) strategic plan development and implementation (including individual performance objectives that relate to achievement of strategic plan of our company as a whole or any business unit); (xx) improvement in workforce diversity; (xxi) growth of revenue, operating income or net income; (xxii) approval by the U.S. Food and Drug Administration or other regulatory body of a product candidate (which is not currently a part of the list of qualifying performance criteria under the 2007 Plan); and (xxiii) any other similar criteria.

The committee may adjust any evaluation of performance criteria to exclude any of the following events that occurs during a performance period: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in the tax law, accounting principles or other such laws and provisions affecting reported results; (iv) accruals for reorganization and restructuring programs and/or other nonrecurring charges; and (v) gains or losses classified as extraordinary under generally accepted accounting principles or as 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 award or defer compensation arising outside the terms of the Restated 2007 Plan pursuant to a program that provides for deferred payment in satisfaction of other compensation amounts through the issuance of one or more awards under the Restated 2007 Plan and in a manner that complies with Section 409A of the Code.

Adjustments upon Changes in Capitalization, Change of Control or Dissolution

In the event of any stock split, reverse stock split, combination or reclassification of stock, stock dividend, spin-off or similar change to our capital structure of effected without receipt of consideration by us, the plan

administrator will make proportionate adjustments to (i) the number and kind of shares covered by each outstanding award under the Restated 2007 Plan, (ii) the exercise or purchase (including repurchase) price per share subject to 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 reorganization, merger or consolidation but excluding any merger effected exclusively for the purpose of changing our domicile, (ii) any sale of all or substantially all of our assets or (iii) any other event specified by the plan administrator, so long as in either (i) or (ii), our stockholders of record immediately prior to the transaction hold less than 50% of the voting power of the surviving entity and, provided that the Restated 2007 Plan is approved by stockholders, so long as in (iii) that no change in control shall be deemed to occur upon announcement or commencement of a tender offer or upon a potential takeover or upon shareholder approval of a merger or other transaction, in each case without a requirement that the change in control actually occur, then:

if the successor corporation does not assume or substitute equivalent awards for all outstanding equity awards granted pursuant to the Restated 2007 Plan, then as of the date of completion of the acquisition or merger, the vesting of such equity awards shall be accelerated in full; and

if outstanding equity awards are assumed or equivalent awards are substituted by the successor corporation and if at the time of, immediately prior to or within twelve months after the effective time of the change of control, an equity awardee's service as an employee or consultant is terminated without cause or due to constructive termination, then the vesting of such substituted equity award will be accelerated in full.

In the event of a liquidation or dissolution, any options or stock awards that have not been exercised will terminate immediately prior to the transaction.

The plan administrator has the authority to accelerate vesting of outstanding awards under the Restated 2007 Plan at any time in its sole discretion.

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. However, we will obtain stockholder approval for any amendment to the Restated 2007 Plan if stockholder approval is necessary or desirable to comply with any applicable law or NASDAQ Global Market listing requirements. In addition, we will obtain stockholder approval of any of the following: (i) an increase to the shares reserved for issuance under the Restated 2007 Plan other than an increase in connection with a change in our capitalization as described in Adjustments upon Changes in Capitalization, Change of Control or Dissolution above; (ii) a change of the class of persons eligible to receive awards under the Restated 2007 Plan; (iii) a reduction in the minimum exercise prices at which options may be granted; or (iv) any amendment of outstanding options or stock appreciation rights that affects a repricing of such awards. Generally, no amendment of the Restated 2007 Plan will impair the rights of an outstanding award without the consent of the awardee.

Restated 2007 Plan Benefits

Because benefits under the Restated 2007 Plan will depend on the plan administrator's actions and the fair market value of our common stock at various future dates, it is not possible to determine the benefits that will be received by employees, officers, directors and consultants if the Restated 2007 Plan is approved by the stockholders. In addition, the actual value of awards, and the number of shares subject to such awards, which may be earned under the LTIP and granted under the Restated 2007 Plan, if any, will not be determinable until the earlier of Compensation Committee certification of approval, if it occurs, of a New Drug Application, or

NDA, by the U.S. Food and Drug Administration for brentuximab vedotin. Further, the Compensation Committee and the Board retain full discretion over the LTIP, including the amendment, suspension, termination or revision of the LTIP prior to any awards being granted. As of March 26, 2010, the total number of shares subject to stock options granted under the 2007 Plan for each of the following persons or classes of persons was as follows: Clay B. Siegall, President and Chief Executive Officer (485,000 shares); Todd E. Simpson, Chief Financial Officer (150,000 shares); Thomas C. Reynolds, Chief Medical Officer (225,000 shares); Eric L. Dobmeier, Chief Business Officer (210,000 shares); Morris Z. Rosenberg, EVP, Process Sciences (202,500 shares); all current executive officers as a group (1,689,167 shares); all current directors (including director nominees) who are not executive officers as a group (no shares); and all employees who are not executive officers as a group (2,834,450 shares).

EQUITY COMPENSATION PLAN INFORMATION

Please see the section of this proxy statement entitled **Equity Compensation Plan Information** for certain information with respect to compensation plans 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 ISSUANCE AND EXERCISE OF OPTIONS OR OTHER AWARDS UNDER THE RESTATED 2007 PLAN. IT DOES NOT DESCRIBE STATE OR OTHER TAX CONSEQUENCES OF THE ISSUANCE AND EXERCISE OF OPTIONS OR OTHER AWARDS. THE INFORMATION SET FORTH BELOW IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. THE INFORMATION IS BASED UPON CURRENT FEDERAL INCOME TAX RULES AND THEREFORE IS SUBJECT TO CHANGE WHEN THOSE RULES CHANGE. THE RESTATED 2007 PLAN IS NOT QUALIFIED UNDER THE PROVISIONS OF SECTION 401(A) OF THE CODE AND IS NOT SUBJECT TO ANY OF THE PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974. OUR ABILITY TO REALIZE THE BENEFIT OF ANY TAX DEDUCTIONS DESCRIBED BELOW DEPENDS ON OUR GENERATION OF TAXABLE INCOME, AS WELL AS THE REQUIREMENT OF REASONABLENESS, THE PROVISIONS OF SECTION 162(M) OF THE CODE AND THE SATISFACTION OF OUR TAX REPORTING OBLIGATIONS.

Options

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

The grant of a nonstatutory option having an exercise price equal to the grant date fair market value of our common stock has no federal income tax effect on the optionee. Upon the exercise of a nonstatutory option, the

optionee has taxable ordinary income (and unless limited by Section 162(m), we are entitled to a corresponding deduction) equal to the option spread on the date of exercise. Upon the disposition of stock acquired upon exercise of a nonstatutory stock option, the optionee recognizes either long-term or short-term capital gain or loss, depending on how long such stock was held, on any difference between the sale price and the exercise price, to the extent not recognized as taxable income on the date of exercise. We may allow nonstatutory stock options to be transferred subject to conditions and restrictions imposed by the plan administrator; special tax rules may apply on such a transfer. In the case of both incentive stock options and nonstatutory stock options, special federal income tax rules apply if our common stock is used to pay all or part of the option price, and different rules than those described above will apply if unvested shares are purchased on exercise 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 restricted stock award are subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code to the extent the shares will be forfeited in the event that the participant ceases to provide services to us and are not transferable. As a result of this substantial risk of forfeiture, the participant will not recognize ordinary income at the time the award shares are issued. Instead, the participant will recognize ordinary income on the dates when the stock is no longer subject to a substantial risk of forfeiture, or when the stock becomes transferable, if earlier. The participant's ordinary income is measured as the 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 longer subject to forfeiture.

The participant may accelerate his or her recognition of ordinary income, if any, and begin his or her capital gains holding period by timely filing (i.e., within thirty days of the share issuance date) an election pursuant to Section 83(b) of the Code. In such event, the ordinary income recognized, if any, is measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the date of such issuance, and the capital gain holding period commences on such date. The ordinary income recognized by an employee will be subject to tax withholding by us. We are 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 award or in tandem with other awards under the Restated 2007 Plan. Where the stock appreciation rights are granted with a strike price equal to the fair market value of the underlying stock on the grant date, the participant will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant in connection with the stock appreciation right.

Restricted Stock Units. Generally, the recipient of a stock unit structured to conform to the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the shares of our common stock received over any amount paid by the participant in exchange for the shares of our common stock. To conform to the requirements of Section 409A of the Code, the shares of our common stock subject to a stock unit award may generally only be delivered upon one of the following events: a fixed calendar date (or dates), separation from service, death, disability or a change in control. If delivery occurs on another date, unless the stock units otherwise comply with or qualify for an exception to the requirements of Section 409A of the Code, in addition to the tax 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 units, will be the amount paid 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 reporting obligation, we will 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 covers most programs that defer the receipt of compensation to a succeeding year. It provides rules for elections to defer, if any, and for timing of payouts. There are significant penalties placed on the individual participant for failure to comply with Section 409A. However, it does not impact our ability to deduct deferred compensation.

Section 409A does not apply to incentive stock options, nonstatutory stock options that have an exercise price that is at least equal to the grant date fair market value and restricted stock provided there is no deferral of income beyond the vesting date. Section 409A also does not cover stock appreciation 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 settled in such stock and no features defer the recognition of income beyond the exercise date.

ACCOUNTING TREATMENT

We will recognize compensation expense in connection with awards granted under the Restated 2007 Plan as required under applicable accounting standards. We currently amortize compensation expense associated with equity awards over an award's requisite service period and establish fair value of equity awards in accordance with applicable accounting standards.

THE BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL NO. 2

PROPOSAL NO. 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since June 1998. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting. This representative will have an opportunity to make a statement and will be available to respond to appropriate questions.

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

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

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

THIS PROPOSAL NO. 3.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

PricewaterhouseCoopers LLP served as our independent registered public accounting firm for the years 2009 and 2008 and billed us aggregate fees for services rendered as follows:

Type of Fees	2009	2008
Audit Fees	\$ 493,600	\$ 451,600
Audit-Related Fees	26,000	
Tax Fees	24,402	28,153
All Other Fees	1,500	
Total fees	\$ 545,502	\$ 479,753

Audit Fees. Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings, including fees for professional services related to our follow-on public offerings in January 2009, August 2009 and January 2008 and to the filing of our registration statements on Form S-3 in January and May 2009.

Audit-Related Fees. Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under Audit Fees. In 2009, these fees primarily related to assistance with accounting for income taxes. There were no audit-related fees billed to Seattle Genetics for services rendered during fiscal 2008.

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

All Other Fees. All other fees include any fees billed that are not audit, audit related, or tax fees. In 2009 these fees primarily related to the cost of access to an accounting research tool. There were no such fees billed to Seattle Genetics during fiscal 2008.

PRE-APPROVAL POLICIES AND PROCEDURES

In October 2006, the Audit Committee adopted an Audit and Audit-Related Services Pre-Approval Policy, or the Policy, which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent registered public accounting firm may be pre-approved. Proposed services either may be pre-approved by the Audit Committee without consideration of specific case-by-case services (i.e., general pre-approval) or require the specific pre-approval of the Audit Committee (i.e., specific pre-approval). The Audit Committee believes that the combination of these two approaches has resulted in an effective and efficient procedure to pre-approve services performed by the independent registered public accounting firm. As set forth in the Policy, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee if it is to be provided by the independent registered public accounting firm. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee. In addition, the Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve services not prohibited by the Policy to be performed by our independent registered public accounting firm and associated fees up to \$25,000, provided that the Chair is required to report any decision to pre-approve such audit-related or non-audit services and fees to the full Audit Committee for ratification at its next regular meeting. All audit-related and non-audit related services performed by our independent registered public accounting firm in 2009 were pre-approved.

AUDIT COMMITTEE REPORT (1)

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

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

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

The Audit Committee held seven meetings and acted by written consent two times during 2009. The meetings were designed to provide information to the Audit Committee necessary for it to conduct its oversight function of the external financial reporting activities and audit process of Seattle Genetics, and to facilitate and encourage communication between the Audit Committee, management and our independent registered public accounting firm, PricewaterhouseCoopers LLP. Management represented to the Audit Committee that our financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee reviewed and discussed the audited financial statements for fiscal year 2009 with management and the independent registered public accounting firm. The Audit Committee also instructed the independent registered public accounting firm that the Audit Committee expects to be advised if there are any subjects that require special attention.

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

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

Based on its review of the audited financial statements and the various discussions noted above, the Audit Committee recommended to the Board of Directors that the audited financial statements and the audited assessment of internal control over financial reporting be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

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

Franklin M. Berger (chairman)

David W. Gryska

John P. McLaughlin

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

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of March 26, 2010 (except as noted) regarding the beneficial ownership of our common stock by each director (including each nominee for director), by each person or group of affiliated persons known to us to beneficially own five percent or more of our outstanding common stock, by each Named Executive Officer and by all officers and directors as a group. Unless otherwise indicated, the address of the individuals and entities below is c/o Seattle Genetics, Inc., 21823 30 Drive S.E., Bothell, WA 98021.

Name and Address	Total Common Stock Equivalents (1)	Percent of Common Stock Equivalents (2)
Felix Baker, Ph.D. (3) Baker Brothers Investments 667 Madison Ave, 17th Floor New York, NY 10021	16,842,787	16.6%
FMR LLC (4) 82 Devonshire Street Boston, MA 02109	14,875,850	14.8%
Wellington Management Company, LLC (5) 75 State Street Boston, MA 02109	9,352,203	9.3%
Oppenheimer Funds, Inc. (6) Two World Financial Center 225 Liberty Street New York, NY 10281	5,666,776	5.6%
Columbia Wanger Asset Management, L.P. (7) 227 West Monroe Street, Suite 3000 Chicago, IL 60606	5,357,784	5.3%
Clay B. Siegall, Ph.D. (8)	2,197,746	2.2%
Morris Z. Rosenberg, D.Sc. (9)	501,632	*
Todd E. Simpson (10)	397,467	*
Eric L. Dobmeier (11)	374,899	*
Thomas C. Reynolds, M.D., Ph.D. (12)	308,578	*
Marc E. Lippman, M.D. (13)	196,666	*
Franklin M. Berger (14)	160,220	*
David W. Gryska (15)	72,500	*
Srinivas Akkaraju, M.D., Ph.D. (16)	70,405	*
Daniel F. Hoth, M.D. (17)	55,000	*
John P. McLaughlin (18)	38,229	*
Daniel G. Welch (19)	38,229	*
All directors & officers as a group (20)	21,308,523	21.2%

* Less than one percent

- (1) Beneficial ownership is determined in accordance with SEC rules. In computing the beneficial ownership we have included shares for which the named person has sole or shared power over voting or investment decisions. The number of shares of common stock beneficially owned includes common stock which the named person has the right to acquire, through conversion, option or warrant exercise or otherwise, within 60 days after March 26, 2010.

- (2) Percentage of common stock equivalents is based on a total of 100,668,212 shares of common stock outstanding as of March 26, 2010. For each named person, the percentage ownership includes stock that the person has the right to acquire within 60 days after March 26, 2010, as described in Footnote 1. However, such shares are not deemed outstanding with respect to the calculation of ownership percentage for any other person. In some cases, beneficial ownership calculations for five percent or greater stockholders are based solely on publicly-filed Schedules 13D or 13G, which five percent or greater stockholders are required to file with the SEC, and which generally set forth ownership interests as of December 31, 2009.
- (3) Includes 400,898 shares of common stock and 49,563 shares of common stock issuable upon exercise of warrants owned by Baker/Tisch Investments, L.P., 233,020 shares of common stock and 33,475 shares of common stock issuable upon exercise of warrants owned by Baker Bros. Investments, L.P., 248,870 shares of common stock and 34,531 shares of common stock issuable upon exercise of warrants owned by Baker Bros. Investments II, L.P., 4,626,213 shares of common stock and 339,788 shares of common stock issuable upon exercise of warrants owned by 667, L.P., 10,246,673 shares of common stock and 355,143 shares of common stock issuable upon exercise of warrants owned by Baker Brothers Life Sciences, L.P. and 214,613 shares of common stock owned by 14159, L.P. Felix Baker is a Managing Member of the investment advisors of each of the entities listed above and shares voting and dispositive power with respect to the shares held by each such entity and disclaims beneficial ownership of such shares in which he has no pecuniary interest. Also includes 60,000 shares issuable upon exercise of options held by Dr. Baker that are exercisable within 60 days of March 26, 2010.
- (4) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting persons on February 16, 2010. The beneficial ownership of such reporting person may have changed between such date and March 26, 2010. According to the Schedule 13G/A, FMR LLC has sole power to vote or direct the vote of 287,200 shares of common stock and sole power to dispose or to direct the disposition of 14,875,850 shares of common stock.
- (5) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting persons on February 12, 2010. The beneficial ownership of such reporting person may have changed between such date and March 26, 2010. According to the Schedule 13G, Wellington Management Company, LLP has shared power to vote or direct the vote of 6,219,573 shares of common stock and shared power to dispose or to direct the disposition of 9,352,203 shares of common stock.
- (6) The indicated ownership is based solely on a Schedule 13G filed with the SEC by the reporting persons on February 3, 2010. The beneficial ownership of such reporting person may have changed between such date and March 26, 2010. According to the Schedule 13G, Oppenheimer Funds, Inc. has shared power to vote or direct the vote of 5,666,776 shares of common stock and shared power to dispose or to direct the disposition of 5,666,776 shares of common stock.
- (7) The indicated ownership is based solely on a Schedule 13G/A filed with the SEC by the reporting persons on February 10, 2010. The beneficial ownership of such reporting person may have changed between such date and March 26, 2010. According to the Schedule 13G/A, Columbia Wanger Asset Management, L.P. has sole power to vote or direct the vote of 5,165,584 shares of common stock and sole power to dispose or to direct the disposition of 5,357,784 shares of common stock.
- (8) Includes 1,219,578 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 26, 2010.
- (9) Consists solely of 501,632 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 26, 2010.
- (10) Includes 390,247 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 26, 2010.
- (11) Includes 355,078 shares of common stock issuable upon exercise of options that are exercisable within 60 days of March 26, 2010.