

ALERE INC.
Form DEF 14A
July 17, 2014
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Definitive Proxy Statement

Only (as permitted by Rule 14a-6(e)(2))

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Alere 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.

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

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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July 17, 2014

Dear Fellow Stockholder:

You are cordially invited to attend Alere Inc.'s Annual Meeting of Stockholders on Thursday, August 21, 2014 at 10:00 a.m., local time, at the offices of Foley Hoag LLP located at 155 Seaport Boulevard, Boston, Massachusetts 02210.

In addition to the matters described in the attached proxy statement, after the Annual Meeting we will report on our activities for our fiscal year ended December 31, 2013. You will have an opportunity to ask questions and to meet your directors and executives.

We are pleased to be able to offer to our stockholders the option to access our proxy materials on the Internet. We believe this option will be preferred by many of our stockholders, as it allows us to provide our stockholders the information they need in a convenient and efficient format.

Whether or not you plan to attend the meeting in person, it is important that your shares be represented and voted. Accordingly, please review our proxy materials and request a proxy card to sign, date and return or submit your proxy or voting instruction card, as applicable, by telephone or through the Internet. Instructions for voting are included on the proxy card. If you attend the meeting and prefer to vote at that time, you may do so.

Thank you for your continued support of Alere. For those of you who plan to visit with us in person at the Annual Meeting, we look forward to seeing you.

Cordially,

Gregg J. Powers

Chairman of the Board

This proxy statement and the form of proxy are first being sent or given to stockholders on or about July 17, 2014 pursuant to rules adopted by the Securities and Exchange Commission.

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ALERE INC.

51 Sawyer Road, Suite 200

Waltham, Massachusetts 02453

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Thursday, August 21, 2014

Time: 10:00 a.m., local time

Place: Foley Hoag LLP

Seaport West

155 Seaport Boulevard

Boston, Massachusetts 02210

Purpose:

We are holding this meeting to:

1. Vote upon the election of eight directors;
2. Approve an increase to the number of shares of common stock available for issuance under the Alere Inc. 2010 Stock Option and Incentive Plan by 2,000,000, from 7,153,663 to 9,153,663;
3. Approve an increase to the number of shares of common stock available for issuance under the Alere Inc. 2001 Employee Stock Purchase Plan by 1,000,000, from 4,000,000 to 5,000,000;
4. Approve an amendment to Alere Inc.'s Amended and Restated Certificate of Incorporation, as amended, to permit stockholders holding 25% or more of Alere Inc.'s outstanding common stock to call a special meeting of stockholders;

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5. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2014;

6. Hold an advisory vote on executive compensation; and

7. Conduct such other business as may properly come before the Annual Meeting and at any adjournment or postponement thereof. The Company cordially invites all stockholders to attend the Annual Meeting in person. You may vote at the Annual Meeting and at any adjournment or postponement thereof if you were a stockholder of record at the close of business on June 30, 2014. We will begin mailing our proxy materials on or before July 17, 2014. Our proxy materials, including this proxy statement and our 2013 Annual Report, which includes financial statements for the year ended December 31, 2013, will also be available on or before July 17, 2014 via the Internet on the Investor Relations page of our corporate website, www.alere.com, under the heading Annual Meetings & Reports.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR EACH OF THE PROPOSALS PRESENTED TO YOU IN THIS PROXY STATEMENT.

YOUR VOTE IS IMPORTANT. Please promptly vote your shares, as soon as possible, by mail, telephone or over the Internet by following the instructions included on your proxy card, regardless of whether you plan to personally attend the Annual Meeting.

Ellen Chiniara, Esq.

Secretary

July 17, 2014

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July 17, 2014

ALERE INC.

51 Sawyer Road, Suite 200

Waltham, Massachusetts 02453

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Alere Inc. for use at our 2014 Annual Meeting of Stockholders (the Annual Meeting) to be held on Thursday, August 21, 2014 at 10:00 a.m., local time, at the offices of Foley Hoag LLP located at 155 Seaport Boulevard, Boston, Massachusetts, 02210, and at any adjournments or postponements of the annual meeting. References in this proxy statement to us, we, our and Company refer to Alere Inc., except where otherwise indicated, such as in the Compensation Committee Report and the 2013 Audit Committee Report.

General Information

Delivery of Proxy Materials

We sent you this proxy statement and the enclosed proxy card or instruction form because the Company's Board of Directors, or your Board, is soliciting your proxy to vote at the Annual Meeting to be held on Thursday, August 21, 2014 and at any adjournments or postponements of the Annual Meeting. This proxy statement summarizes information that is intended to assist you in making an informed vote on the proposals described in this proxy statement.

Who May Vote

Holders of our common stock, as recorded in our stock register at the close of business on June 30, 2014, may vote on matters properly presented at the Annual Meeting. As of that date, there were 82,783,287 shares of our common stock outstanding, each of which is entitled to cast one vote per share. A list of stockholders will be available for inspection for at least ten days prior to the Annual Meeting at the principal executive offices of your Company at 51 Sawyer Road, Suite 200, Waltham, MA 02453.

Matters to be Voted Upon at the Annual Meeting

You will be voting on the following matters:

the election of eight directors;

the approval of an increase to the number of shares available for issuance under the Alere Inc. 2010 Stock Option and Incentive Plan;

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the approval of an increase to the number of shares available for issuance under the Alere Inc. 2001 Employee Stock Purchase Plan;

the approval of an amendment to Alere Inc. s Amended and Restated Certificate of Incorporation, as amended, to permit stockholders representing 25% or more of Alere Inc. s outstanding common stock to call a special meeting of stockholders;

the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2014 fiscal year;

the approval, on an advisory basis, of the compensation of your Company s named executive officers as disclosed in this proxy statement; and

such other business as may properly come before the Annual Meeting and at any adjournment or postponement thereof.

Voting Requirements

In order to carry on the business of the Annual Meeting, we must have a quorum. Under our by-laws, this means that at least a majority of the shares outstanding on the record date and entitled to vote must be present in person or represented by proxy at the Annual Meeting. Proxies marked as abstaining or withheld, limited proxies and proxies containing broker non-votes (as defined below) with respect to

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any matter to be acted upon by stockholders will be treated as present at the Annual Meeting for purposes of determining a quorum, but will not be counted as votes cast on such matter. If you hold your shares through a broker, bank or other nominee (i.e., in street name), you must instruct your broker or nominee how to vote your shares. If you do not provide timely voting instructions, your broker may or may not have the discretion to vote the shares you beneficially own. A broker non-vote occurs when a broker or other nominee does not receive voting instructions from a beneficial owner and does not have the discretion to vote the beneficial owner's shares on a proposal. In the case of a broker non-vote, your broker or nominee can register your shares as being present at the Annual Meeting for purposes of determining the presence of a quorum, but will not be able to vote your shares on those matters for

which it requires specific voting instructions from the beneficial owner.

Under the rules of the New York Stock Exchange, or NYSE, we anticipate that all of the proposals in this proxy statement, other than the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2014, will be non-discretionary matters for which specific voting instructions from beneficial owners are required. As a result, brokers and other nominees subject to the NYSE rules will not be allowed to vote with respect to any proposal (except as aforesaid) on behalf of a beneficial owner if the beneficial owner does not provide specific voting instructions on that proposal.

The vote requirement for each matter is as follows:

Proposal 1:

Election of Directors

Under revised by-laws adopted by your Board in October 2013, director nominees must be elected by a majority of the votes properly cast at the Annual Meeting. Votes may be cast FOR or AGAINST each nominee. A nominee will be elected only if the

number of votes cast FOR that nominee exceeds the number of votes cast AGAINST that nominee. Abstentions and broker non-votes will be excluded entirely from the vote and will have no effect on the outcome of the election.

Proposal 2:

Approval of an Increase in the Number of Shares Available for Issuance under the 2010 Stock Option and Incentive Plan

Under our by-laws, the approval of the proposal to amend the 2010 Stock Option and Incentive Plan to increase the number of shares of common stock available for issuance thereunder requires the affirmative vote of a majority of the votes properly

cast FOR and AGAINST the proposal. Abstentions and broker non-votes will not be counted as votes cast on this matter and, accordingly, will have no effect on the outcome of the vote.

Proposal 3:

Approval of an Increase in the Number of Shares Available for Issuance under the 2001 Employee Stock Purchase Plan

Under our by-laws, the approval of the proposal to amend the 2001 Employee Stock Purchase Plan to increase the number of shares of common stock available for issuance thereunder requires the affirmative vote of a majority of the votes properly

cast FOR and AGAINST the proposal. Abstentions and broker non-votes will not be counted as votes cast on this matter and, accordingly, will have no effect on the outcome of the vote.

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Proposal 4:

Proposal to Amend our Certificate of Incorporation to Allow Stockholders to Call Special Meetings

Under our Amended and Restated Certificate of Incorporation and by-laws, the approval of the proposal to amend our Amended and Restated Certificate of Incorporation in order to allow stockholders holding at least 25% of the outstanding shares of our common stock to call a special meeting of the stockholders requires the affirmative vote of

seventy-five percent (75%) of the shares of common stock outstanding on the record date. Votes may be cast for or against the proposal or holders may abstain from voting; abstentions and broker non-votes will have the same effect as votes against the proposal.

Proposal 5:

Ratification of Selection of PricewaterhouseCoopers LLP as Our Independent Registered Public Accounting Firm

The ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014 requires the affirmative vote of a majority of the votes properly cast FOR and

AGAINST this proposal. Abstentions and broker non-votes will not be counted as votes cast on this matter and, accordingly, will have no effect on the outcome of the vote.

Proposal 6:

Advisory Vote on Executive Compensation

The approval of the non-binding proposal to approve the compensation of our named executive officers requires the affirmative vote of a majority of the votes properly cast FOR and AGAINST this

proposal. Abstentions and broker non-votes will not be counted as votes cast on this matter and, accordingly, will have no effect on the outcome of the vote.

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Your Board of Directors Voting Recommendations

Your Board recommends that you vote:

1. **FOR** the election of each of the eight director nominees named in this proxy statement;
2. **FOR** the approval of an increase in the number of shares available for issuance under the Alere Inc. 2010 Stock Option and Incentive Plan;
3. **FOR** the approval of an increase in the number of shares available for issuance under the Alere Inc. 2001 Employee Stock Purchase Plan;
4. **FOR** the approval of an amendment to Alere Inc.'s Amended and Restated Certificate of Incorporation, as amended, to permit stockholders holding 25% or more of Alere Inc.'s outstanding common stock to call a special meeting of stockholders;
5. **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2014 fiscal year; and
6. **FOR** the approval, on an advisory basis, of the compensation of your Company's named executive officers as disclosed in this proxy statement.

How to Vote

Your vote is important. Your shares can be voted at the Annual Meeting only if you are present in person or represented by proxy. Even if you plan to attend the Annual Meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the website identified on your proxy card, or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. ***If you authorize your proxy electronically or by telephone, you do not need to return your proxy card.*** If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares in street name, i.e., through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

How Proxies Work

Your Board is asking for your authority for our designated proxy holders, Gregg J. Powers, Namal Nawana and Ellen Chiniara (or their substitutes), to vote your shares at the Annual Meeting, and at any adjournment or postponement thereof, in the manner

you direct. With respect to the election of directors, you may vote FOR or AGAINST each of our nominees for director or you may ABSTAIN from voting. With respect to the other proposals, you may vote FOR or AGAINST the proposal or ABSTAIN from voting.

Your shares will be voted at the Annual Meeting as directed by your electronic proxy, proxy card or voting instructions if: (1) you are entitled to vote, (2) your proxy was properly executed or properly authorized electronically or by telephone, (3) we received your proxy prior to the Annual Meeting and (4) you did not revoke your proxy prior to or at the Annual Meeting.

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If you authorize your proxy electronically or by telephone or send a properly executed proxy card without specific voting instructions, the designated proxy holders will vote your shares FOR the election of our nominees for director and FOR any other proposals for which your Board has recommended a favorable vote.

As of the date hereof, we do not know of any other business that will be presented at the Annual Meeting. If other business shall properly come before the Annual Meeting, including any proposal submitted by a stockholder that was omitted from this proxy statement in accordance with applicable federal securities laws, the designated proxy holders will vote your shares according to their best judgment.

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Changing Your Vote or Revoking a Proxy

You may change your vote or revoke your proxy at any time before it is voted at the Annual Meeting by

voting again on the Internet or by telephone (only the latest Internet or telephone proxy will be counted);

properly executing and delivering a later- dated proxy card;

voting by ballot at the Annual Meeting; or

notifying our Corporate Secretary of the revocation in writing.

Attendance at the Annual Meeting will not by itself revoke a previously granted proxy. **IF YOU HOLD YOUR SHARES IN STREET NAME, YOU SHOULD FOLLOW THE INSTRUCTIONS YOU RECEIVE FROM YOUR BROKER OR OTHER NOMINEE TO REVOKE YOUR PROXY.**

Solicitation

In addition to this mailing, our employees may solicit proxies personally, electronically or by telephone, press release, facsimile, telegraph, the Internet or advertisements. We will pay all of the costs of this proxy solicitation. We will also reimburse brokers, banks, nominees and other fiduciaries for their expenses in sending these materials to you and getting your voting instructions. We have engaged Innisfree M&A Incorporated to provide ongoing advice and informational support for a monthly fee of \$7,500, plus customary disbursements. Those services include proxy solicitation services for the Annual Meeting at no additional cost based on the proposals included in this proxy statement.

If You Receive More Than One Proxy Card or Voting Instruction Form

If you hold your shares in multiple accounts or registrations, or in both registered and street name, you will receive a proxy card or voting instruction form for each account. Please sign, date and return all proxy cards you receive from the Company. If you choose to vote by phone or via the Internet, please vote once for each proxy card you receive. Only your latest dated proxy for each account will be voted.

Dissenters Rights

Under Delaware law, you will not have dissenters, appraisal or other similar rights with respect to any of the proposals set forth in this proxy statement.

Multiple Stockholders Sharing the Same Address

Please note that brokers may deliver only one set of proxy materials to multiple stockholders sharing an address unless we have received contrary instructions from one or more of those stockholders. This practice, known as householding, is designed to reduce printing and postage costs. If any stockholder residing at such an address wishes to receive a separate set of proxy materials, we will promptly deliver a separate copy to any stockholder upon written or oral request to Doug Guarino at Alere Inc., 51 Sawyer Road, Suite 200, Waltham, MA 02453, by telephone at (781) 647-3900 or by e-mail at doug.guarino@alere.com. Stockholders can also contact Doug Guarino in this manner to indicate that they wish to receive separate sets of proxy materials, as applicable, in the future or to request that we send only a single set of materials to stockholders sharing an address who are currently receiving multiple copies.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting

The proxy statement, proxy card and annual report to stockholders are available at www.proxyvote.com. We will also post any additional soliciting materials that we may use on that website. You can read, print, download and search these materials at that website. The website does not use cookies or other tracking devices to identify visitors. You can also obtain directions to be able to attend the meeting and vote in person at

that website.

If You Have Any Questions

If you have any questions, or need assistance in voting your shares, please contact Innisfree M&A Incorporated, toll-free, at 1-877-825-8619.

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Corporate Governance

Your Board of Directors

At our 2012 annual meeting of stockholders, our stockholders approved a proposal to declassify your Board. As a result, beginning with the 2013 Annual Meeting, directors elected at the annual meeting of stockholders will serve for terms expiring at the next annual meeting of stockholders. In accordance with Delaware law, the declassification of your Board did not shorten the term of any of the directors that were elected at or before the 2012 annual meeting of stockholders. Accordingly, your Board currently consists of ten members: eight of whose current terms will expire at our 2014 annual meeting of stockholders (Regina Benjamin, M.D., Håkan Björklund, Ph.D., John F. Levy, Stephen P. MacMillan, Brian A. Markison, Sir Thomas Fulton Wilson McKillop, Ph.D., Gregg J. Powers and John A. Quelch, C.B.E., D.B.A.) and two of whom were elected prior to the declassification of your Board and whose current terms expire at our 2015 annual meeting of stockholders (Carol R. Goldberg and James Roosevelt, Jr.).

Your Board has determined that the following directors are independent under the rules of the New York Stock Exchange, or NYSE: Dr. Benjamin, Mr. Björklund, Ms. Goldberg, Mr. Levy, Mr. MacMillan, Mr. Markison, Dr. McKillop, Mr. Powers, Mr. Roosevelt and Dr. Quelch.

Your Board held fourteen meetings during 2013. We have no formal policy regarding Board members' attendance at the annual meetings of stockholders. Last year, 3 members of your Board attended our annual meeting of stockholders. Further, during 2013, all Board members attended at least 75% of the fourteen meetings held, and each Board member attended at least 75% of the meetings of each committee on which he or she served.

Your Board has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each composed solely of directors who satisfy the applicable independence requirements of the NYSE's listing standards for such committees. All three committees operate pursuant to written charters, which are posted in the *Corporate Governance* section of the *Investor Relations* page on our website at www.alere.com. The

key practices and procedures of your Board are outlined in the Corporate Governance Guidelines, which are also available on the *Corporate Governance* section of our website under *Governance Committee Documents*.

The Audit Committee

The Audit Committee consists of Mr. Levy, its Chairperson, Mr. MacMillan and Dr. McKillop. Among other things, the Audit Committee oversees our accounting and financial reporting processes, including the selection, retention and oversight of our independent registered public accounting firm and the pre-approval of all auditing and non-auditing services provided by our independent registered public accounting firm. The Audit Committee's 2013 Audit Committee Report is included in this proxy statement beginning on page 51. Your Board has determined that Mr. Levy is an audit committee financial expert, as defined by SEC rules adopted pursuant to the Sarbanes-Oxley Act. The Audit Committee held nine meetings during 2013.

The Compensation Committee

The Compensation Committee consists of Ms. Goldberg, its Chairperson, Mr. Levy, Dr. Björklund and Mr. Markison. The Compensation Committee develops and implements executive officer and director compensation policies and plans that provide incentives intended to promote our long-term strategic plans and that are consistent with our culture and the overall goal of enhancing enduring stockholder value. Under its charter, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee, but to date it has not chosen to do so. During 2013, the Compensation Committee held eight meetings. The Compensation Discussion and Analysis recommended by the Compensation Committee to be included in this proxy statement begins on page 34. Among other things, the Compensation Discussion and Analysis describes in greater detail the Compensation Committee's role in the executive compensation process. In addition, the Compensation Committee's role in establishing director compensation is described in more detail under *Compensation of Directors* beginning on page 47 of this proxy statement.

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The Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Dr. Quelch, its Chairperson, Dr. Benjamin, Mr. Roosevelt and Mr. Powers. The Nominating and Corporate Governance Committee is charged with recommending nominees for election to your Board, overseeing the selection and composition of committees of your Board, developing and recommending corporate governance principles and overseeing our continuity planning process. The Nominating and Corporate Governance Committee conducts inquiries into the backgrounds and qualifications of possible director candidates and has the authority to retain any search firm or other advisors to assist in identifying candidates to serve as directors. The Nominating and Corporate Governance Committee has established certain membership criteria for your Board. The Board membership criteria can be viewed under the heading *Governance Committee Documents* in the *Corporate Governance* section of the *Investor Relations* page of our website at www.alere.com. Pursuant to the committee's charter, in identifying and evaluating director candidates, including candidates proposed or recommended by stockholders, the Nominating and Corporate Governance Committee takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on your Board. While your Company does not have a formal diversity policy for Board membership, your Board seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board's discussions and decisions. The Nominating and Corporate Governance Committee considers diversity with respect to viewpoints, accomplishments, skills, experiences and community involvement, among other factors such as gender, race, national origin and age, in its evaluation of candidates for Board membership. Such diversity considerations are discussed by the Nominating and Corporate Governance Committee in connection with the general qualifications of each potential nominee. In considering candidates for your Board, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials in the context of these standards and whether the candidate would bring a unique perspective to the Board, which is consistent with the committee's goal

of creating a board of directors that best serves our needs and the interests of our stockholders. During 2013, the Nominating and Corporate Governance Committee held ten meetings.

Executive Sessions

Our non-management directors meet at regularly scheduled executive sessions without management participation, generally in connection with regularly scheduled Board meetings. Since the appointment of Mr. Powers as our Chairman of the Board in May 2014, he has presided over executive sessions of our non-management directors at which he was present. From October 2013 to May 2014, Mr. Levy served as our Lead Independent Director and in that capacity presided over executive sessions of our non-management directors at which he was present. Prior to that, the non-management directors selected a director to preside over each such executive session.

Board Leadership Structure and Role in Risk Oversight

In May 2014, your Board of Directors separated the positions of Chairman of the Board and Chief Executive Officer. In conjunction with this separation of positions, Gregg J. Powers was appointed to serve as the independent Chairman of the Board.

Your Board believes that, at this time, separating the roles of Chairman and Chief Executive Officer allows for enhanced corporate governance and board oversight of management. Your Board also believes that the separation of the Chairman and Chief Executive Officer roles allows the Chief Executive Officer to focus more of his time and energy on operating and managing your Company.

In October 2013, your Board amended our by-laws to provide for a Lead Independent Director to be appointed by our independent directors whenever our Chairman is also our Chief Executive Officer. Mr. Levy was appointed as your Board's first Lead Independent Director in October 2013 and served in that capacity until May 2014 when Mr. Powers was elected as our Chairman. Mr. Levy continues to serve as an independent member of your Board.

Additionally, our non-management directors regularly meet in executive session without management present, generally in connection with regularly scheduled meetings of your Board. All of the directors on each of the Audit Committee, the

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Compensation Committee and the Nominating and Corporate Governance Committee are independent directors.

Management is responsible for the day-to-day management of the risks that we face, while your Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board is responsible for satisfying itself that our risk management processes are adequate and functioning as designed. Your Board's involvement in risk oversight includes receiving regular reports from members of senior management and evaluating areas of material risk, including operational, financial, legal, regulatory, strategic and reputational risks. In addition, your Board has delegated risk oversight to each of its key committees within their areas of responsibility. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee each report at the next meeting of your Board a