

QUIDEL CORP /DE/
Form DEF 14A
April 13, 2017

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
(Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
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Definitive Proxy Statement

- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

QUIDEL CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:

(4) Date Filed:

Notice of
2017 Annual
Meeting of
Shareholders
and Proxy
Statement

QUIDEL CORPORATION

12544 High Bluff Drive, Suite 200

San Diego, CA 92130

(858) 552-1100

April 13, 2017

To Our Stockholders:

I am pleased to invite you to attend the Annual Meeting of Stockholders, which will be held on Tuesday, May 16, 2017, at 8:30 a.m., local time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130. At the Annual Meeting, you will be asked to consider and vote upon: (i) the election of the seven directors designated herein to the Board of Directors; (ii) the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017; (iii) advisory approval of the Company's executive compensation; (iv) the frequency of future advisory votes on the Company's executive compensation; and (v) such other business as may properly be presented at the Annual Meeting or any adjournments or postponements thereof.

Enclosed are the Notice of the Annual Meeting, the Proxy Statement and accompanying proxy card and a copy of our Annual Report to Stockholders.

It is important that your shares be represented and voted at our Annual Meeting. You may vote your shares via the Internet, by telephone or by completing and returning the enclosed proxy card.

Our Board of Directors, officers and I look forward to seeing you at our Annual Meeting.

Sincerely yours,

Douglas C. Bryant

President and Chief Executive Officer

QUIDEL CORPORATION

QUIDEL CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 16, 2017

To Our Stockholders:

The Annual Meeting of Stockholders of Quidel Corporation will be held on Tuesday, May 16, 2017, at 8:30 a.m., local time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130, for the following purposes:

1. To elect the seven directors designated herein to serve on the Board of Directors to hold office until the 2018 Annual Meeting of Stockholders and until their successors are elected and qualified;
2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017;
3. To obtain advisory approval of the Company's executive compensation;
4. To obtain advisory approval of the frequency of future advisory votes on the Company's executive compensation; and
5. To transact such other business as may properly be presented at the Annual Meeting or any adjournments or postponements thereof.

Only stockholders of record at the close of business on March 22, 2017 are entitled to receive notice of and to vote at the Annual Meeting and any adjournments or postponements thereof.

The Board of Directors of Quidel Corporation unanimously recommends that the stockholders vote FOR the seven nominees for the Board of Directors named in the accompanying Proxy Statement; FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm; FOR the advisory approval of the Company's executive compensation; and to conduct an advisory vote on the Company's executive compensation every ONE YEAR.

All stockholders are cordially invited to attend the Annual Meeting. It is important that your shares be represented and voted at the Annual Meeting whether or not you plan to attend the Annual Meeting. You may vote your shares via the Internet, by telephone or by completing and returning a proxy card. If you attend the Annual Meeting and wish to do so, you may vote your shares in person even if you have signed and returned your proxy card. Specific voting instructions are set forth in the accompanying Proxy Statement and on the proxy card.

By Order of the Board of Directors,
Douglas C. Bryant
President and Chief Executive Officer
QUIDEL CORPORATION

San Diego, California
April 13, 2017

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* Indicates matters to be voted on at the Annual Meeting.

SUMMARY PROXY INFORMATION

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should review this entire Proxy Statement, as well as our Annual Report on Form 10-K for the year 2016.

ANNUAL MEETING

Time and date: 8:30 a.m. (Local Time), May 16, 2017

Record date: March 22, 2017

Place: San Diego Marriott Del Mar
11966 El Camino Real
San Diego, California 92130

Voting: Stockholders as of
record date
are entitled to vote

PROPOSALS AND VOTING RECOMMENDATIONS

Proposal	Board Recommendation	Page Reference
Proposal No. 1 - Election of Seven (7) Directors	For All Nominees	<u>3</u>
Proposal No. 2 - Ratification of Ernst and Young LLP as Auditors for 2017	FOR	<u>36</u>
Proposal No. 3 - Advisory (Non-Binding) Vote on Executive Compensation	FOR	<u>37</u>
Proposal No. 4 - Advisory (Non-Binding) Vote on Frequency of Vote on Executive Compensation	ONE YEAR	<u>38</u>

DIRECTOR NOMINEES

Incumbent director nominees received an average vote of 99% of votes cast in 2016

We are seeking your vote FOR all of the director nominees below:

Name	Age	Year First Elected By Shareholders	Principal Occupation
Douglas C. Bryant	59	2009	President and Chief Executive Officer, Quidel Corporation
Thomas D. Brown	69	2004	Retired Senior Vice President and President of the Diagnostics Division of Abbott Laboratories
Kenneth F. Buechler, Ph.D.	63	2007	Founder and former President and Chief Scientific Officer of Biosite, Inc.
Mary Lake Polan, M.D., Ph.D., M.P.H.	73	1993	Clinical Professor of Obstetrics, Gynecology and Reproductive Sciences, Yale University School of Medicine
Jack W. Schuler	76	2016	Co-founder, Crabtree Partners, LLC, a private investment company
Charles P. Slacik	63	2015	Former Senior Vice President and Chief Financial Officer for Beckman Coulter Inc.
Kenneth J. Widder, M.D.	64	2014	General Partner, LVP Life Science Ventures

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CORPORATE GOVERNANCE HIGHLIGHTS

BOARD COMPOSITION

- ü All independent directors, except for CEO director
- ü Separate Board Chair and CEO roles
- ü Independent Board Chair
- ü Independent chairpersons and members of all Board Committees
- ü Seasoned Board with diverse experience and industry specific expertise
- ü Balanced Board tenure

BOARD ACCOUNTABILITY

- ü Annual election of directors
- ü Annual Board and committee evaluations
- ü Regularly-held executive sessions of non-management directors
- ü Robust executive and director equity ownership guidelines
- ü Independent Board approval of CEO compensation

STOCKHOLDER INTERESTS

- ü Active stockholder engagement practices
- ü Annual Say on Pay vote
- ü Stockholders may call special meetings
- ü One single voting class
- ü No poison pill

RISK OVERSIGHT

- ü Comprehensive risk oversight by the Board and individual committee as well as employees
- ü Risk management principles implemented in management processes and in employee reporting responsibilities
- ü Robust risk reporting system which provides timely and comprehensive information to the Board

AUDITOR MATTERS

As a matter of good corporate practice, we are seeking your ratification of Ernst & Young LLP as our independent registered public accounting firm for the 2017 fiscal year.

EXECUTIVE COMPENSATION

Consistent with our Board’s recommendation and our stockholders’ prior indicated preference, we propose an advisory vote to approve our executive compensation annually. Accordingly, we are seeking your approval, on an advisory basis, of the compensation of our Named Executive Officers, as further described in the “Compensation Discussion and Analysis” section of this Proxy Statement. In addition, at this year’s annual meeting we are seeking your advisory vote on the frequency of future say-on-pay votes.

For a summary of our executive compensation and 2016 performance highlights, please refer to the “Executive Compensation” section of this Proxy Statement on page 14.

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QUIDEL CORPORATION

Principal Executive Offices

12544 High Bluff Drive, Suite 200

San Diego, California 92130

(858) 552-1100

ANNUAL MEETING OF STOCKHOLDERS

May 16, 2017

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Quidel Corporation for use at the 2017 Annual Meeting of Stockholders to be held on Tuesday, May 16, 2017, at 8:30 a.m., local time, at the San Diego Marriott Del Mar, 11966 El Camino Real, San Diego, California 92130, and at any and all adjournments and postponements of the Annual Meeting. This Proxy Statement and the accompanying proxy card will first be sent to stockholders on or about April 13, 2017.

We will pay the expenses in connection with this solicitation. Our employees may solicit proxies by mail, in person, by telephone, facsimile or other electronic means and will not receive any additional compensation for such solicitations. We will also pay brokers or other nominees for the expenses of forwarding soliciting material to beneficial owners.

RECORD DATE AND VOTING

The close of business on March 22, 2017 has been fixed as the record date (the "Record Date") for determining the stockholders entitled to notice of and to vote at the Annual Meeting. On the Record Date, 33,141,675 shares of our voting common stock were outstanding. Each share of such common stock is entitled to one vote on any matter that may be presented for consideration and action by the stockholders at the Annual Meeting. A quorum is required to transact business at the Annual Meeting. The holders of a majority of the outstanding shares of common stock on the Record Date and entitled to be voted at the Annual Meeting, present in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting and any adjournments and postponements thereof. Abstentions and broker non-votes are counted for the purpose of determining the presence or absence of a quorum for the transaction of business.

Where a stockholder has directed how his or her proxy is to be voted, it will be voted according to the stockholder's directions. If your shares are held in a brokerage account or by another nominee, you are considered the "beneficial owner" of shares held in "street name," and this proxy and the related materials are being forwarded to you by your broker or nominee (the "record holder") along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder regarding how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. If a proposal is routine, a broker or other entity holding shares for a beneficial owner in street name may vote on the proposal without voting instructions from the owner. If a proposal is non-routine, the broker or other entity may vote on the proposal only if the beneficial owner has provided voting instructions. A "broker non-vote" occurs when the broker or other entity is unable to vote on a proposal because the proposal is non-routine and the beneficial owner does not provide instructions.

If you do not give voting instructions to your record holder prior to the Annual Meeting, the record holder will be entitled to vote your shares in its discretion only on Proposal 2 (Ratification of Selection of Independent Registered Public Accounting Firm) and will not be able to vote your shares on Proposal 1 (Election of Directors), Proposal 3 (Advisory Approval of the Company's Executive Compensation) or Proposal 4 (Advisory Vote to Determine the Frequency of Future Advisory Votes on Executive Compensation), and your shares will be treated as a "broker non-vote" on those proposals. We are not aware of any other matters to be presented at the Annual Meeting except for those described in this Proxy Statement. However, if any other matters not described in this Proxy Statement are properly presented at the Annual Meeting, the persons named as proxies will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned, your shares may be voted by the persons named as proxies on the new meeting date as well, unless you have revoked your proxy instructions prior to that time.

With regard to the election of directors, votes may be cast in favor of a director nominee or withheld. Because directors are elected by plurality, broker non-votes will have no effect on its outcome. If a quorum is present at the Annual Meeting, the nominees receiving the greatest number of votes (up to seven directors) will be elected. For

Proposal 2 (Ratification of Selection of Independent Registered Public Accounting Firm) and Proposal 3 (Advisory Approval of the Company's Executive Compensation), the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the matter is required for approval. For Proposal 4 (Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation), the frequency option (i.e., every year, every two years or every three years) that receives the plurality of votes cast on this proposal will be deemed the preferred option of stockholders. With regard to

1

Proposals 2 and 3, abstentions will be counted in the tabulations of the votes cast and will have the same effect as a vote against such proposal, whereas broker non-votes will not be counted for purposes of determining whether a proposal has been approved and accordingly will have no effect on the outcome of the vote on such proposal.

Abstentions and broker non-votes will have no effect on the outcome of Proposal 1 (Election of Directors) or Proposal 4 (Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation). Unless otherwise designated, each signed proxy submitted by a stockholder will be voted:

• FOR each of the seven nominees named below for election as directors;

• FOR ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017;

• FOR the advisory approval of the Company's executive compensation; and

• FOR ONE YEAR with respect to the frequency with which future non-binding advisory votes on the Company's executive compensation will be held.

Shares may be voted via the Internet, by telephone or by completing and returning a proxy card. Any stockholder has the power to revoke his or her proxy at any time before it is voted at the Annual Meeting by submitting a written notice of revocation to the Secretary of the Company or by timely filing a duly executed proxy bearing a later date. The proxy will not be voted if the stockholder who executed it is present at the Annual Meeting and elects to vote in person the shares represented by the proxy. Attendance at the Annual Meeting will not by itself revoke a proxy.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

PROPOSAL 1

ELECTION OF DIRECTORS

Nominees for Election

Our directors are elected at each annual meeting of stockholders. At the Annual Meeting, seven directors will be elected to serve until the next annual meeting of stockholders and until their successors are elected and qualified. The nominees receiving the greatest number of votes (up to seven directors) at the Annual Meeting will be elected. Each of the nominees set forth below for election as a director is an incumbent director. Each of the nominees has consented to serve as a director if elected. Unless authority to vote for any director nominee is withheld in a proxy, it is intended that each proxy will be voted FOR each of the nominees. If, before the Annual Meeting, any of the nominees for director should become unable to serve if elected, it is intended that shares represented by proxies will be voted for such substitute nominees, if any, as may be recommended by our existing Board of Directors, unless other directions are given in the proxies.

Name of Nominee	Age	Principal Occupation	Director Since
Thomas D. Brown	69	Retired Senior Vice President and President of the Diagnostics Division of Abbott Laboratories	2004
Douglas C. Bryant	59	President and Chief Executive Officer, Quidel Corporation	2009
Kenneth F. Buechler, Ph.D.	63	Founder and former President and Chief Scientific Officer of Biosite, Inc.	2007
Mary Lake Polan, M.D., Ph.D., M.P.H.	73	Clinical Professor of Obstetrics, Gynecology and Reproductive Sciences, Yale University School of Medicine	1993
Jack W. Schuler	76	Co-founder, Crabtree Partners, LLC, a private investment company	2006
Charles P. Slacik	63	Former Senior Vice President and Chief Financial Officer for Beckman Coulter Inc.	2015
Kenneth J. Widder, M.D.	64	General Partner, LVP Life Science Ventures	2014

Vote Required and Board Recommendation

The nominees for election as directors will be elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the proposal at the Annual Meeting. Our Board of Directors recommends that the stockholders vote FOR the seven nominees named below for election to the Board of Directors.

Biographical Information

THOMAS D. BROWN was appointed to our Board of Directors in December 2004. Prior to his retirement in 2002, Mr. Brown had a 28-year career in the healthcare industry where he held various sales, marketing and executive positions within Abbott Laboratories, a broad-based healthcare company. From 1998 to 2002, Mr. Brown was Senior Vice President and President of the Diagnostics Division. From 1993 to 1998, Mr. Brown was Corporate Vice President Worldwide Commercial Operations. From 1992 to 1993, Mr. Brown was Divisional Vice President Worldwide Commercial Operations. From 1987 to 1992, Mr. Brown was Divisional Vice President and General Manager, Western Hemisphere Commercial Operations. Mr. Brown served on the Board of Directors of Cepheid, a molecular diagnostics company, until its acquisition in November of 2016. Mr. Brown currently serves on the Board of Directors of Stericycle, Inc., a medical waste management and healthcare compliance services company and Accelerate Diagnostics, Inc., a medical device company. Mr. Brown holds a B.A. degree from the State University of New York at Buffalo.

DOUGLAS C. BRYANT was appointed to our Board of Directors in February 2009 and became our President and Chief Executive Officer in March 2009. Prior to joining us, Mr. Bryant served as Executive Vice President and Chief Operating

Officer at Luminex Corporation, managing its Bioscience Group, Luminex Molecular Diagnostics (Toronto), manufacturing, R&D, technical operations and commercial operations. From 1983 to 2007, Mr. Bryant held various worldwide commercial operations positions with Abbott Laboratories including, among others: Vice President of Abbott Vascular for Asia/Japan, Vice President of Abbott Molecular Global Commercial Operations and Vice President of Abbott Diagnostics Global Commercial Operations. Earlier in his career with Abbott, Mr. Bryant was Vice President of Diagnostic Operations in Europe, the Middle East and Africa and Vice President of Diagnostic Operations Asia Pacific. Mr. Bryant has over 30 years of industry experience in sales and marketing, product development, manufacturing and service and support in both the diagnostics and life sciences markets. Mr. Bryant holds a B.A. in Economics from the University of California at Davis.

KENNETH F. BUECHLER, Ph.D. was appointed to our Board of Directors in November 2007. Dr. Buechler was President, Chief Scientific Officer and co-founder of Biosite Inc. From 1988 to 1994, Dr. Buechler was Biosite's Director of Chemistry. Prior to co-founding Biosite, Dr. Buechler was a senior research scientist for the diagnostics research and development group at Hybritech Incorporated. Dr. Buechler received his Ph.D. in biochemistry and his bachelor's degree in chemistry from Indiana University. Dr. Buechler was a director of Sequenom Inc., a life sciences company, until its acquisition in September 2016. He is currently a director of Sotera Wireless Inc., a technology solutions company, Astute Medical Inc., a company that develops biomarkers for acute medical conditions and Edico Genome Inc., a DNA sequencing technology company.

MARY LAKE POLAN, M.D., Ph.D., M.P.H. was appointed to our Board of Directors in February 1993. She was an Adjunct Professor in the Department of Obstetrics and Gynecology at Columbia University School of Medicine from 2007 to 2014 and then in 2015 rejoined the Department of Obstetrics and Gynecology at Yale University School of Medicine as Clinical Professor. She was a Professor and Chair Emerita of the Department of Gynecology and Obstetrics at Stanford University School of Medicine where she served from 1990 to 2005. Dr. Polan received a B.A. degree from Connecticut College, a Ph.D. in Molecular Biophysics and Biochemistry and an M.D. from Yale University School of Medicine and her Masters in Public Health from the University of California, Berkeley. Dr. Polan remained at Yale New Haven Hospital for her residency in Obstetrics and Gynecology, followed by a Reproductive Endocrine Fellowship. Dr. Polan was on the faculty at Yale University until 1990, when she joined Stanford University. Dr. Polan is a practicing clinical Reproductive Endocrinologist with a research interest in ovarian function and granulosa cell steroidogenesis. More recently, Dr. Polan's interests have been in the interaction between the immune and endocrine systems: the role of monokines in reproductive events and gene expression in stress urinary incontinence as well as brain activation in human sexual function.

JACK W. SCHULER was appointed to our Board of Directors in February 2006. Mr. Schuler has been on the Board of Directors of Stericycle, Inc., a medical waste management and healthcare compliance services company, since March 1989 and currently serves as Lead Director. Mr. Schuler also currently serves on the Board of Directors of Accelerate Diagnostics, Inc., a medical diagnostics company. Mr. Schuler is also a co-founder of Crabtree Partners, LLC, a Chicago-based venture capital firm which was formed in 1995. Prior to 1990, Mr. Schuler held various executive positions at Abbott Laboratories, a broad-based healthcare company, from December 1972 through August 1989, most recently serving as President and Chief Operating Officer. Mr. Schuler also recently served on the Board of Directors of Medtronic Inc. from 1990 through 2013 and Hansen Medical, Inc., a medical technology company, from 2013 until January 2016. Mr. Schuler holds a B.S. in Mechanical Engineering from Tufts University and an M.B.A. from Stanford University.

CHARLES P. SLACIK was appointed to our Board of Directors in November 2015. Mr. Slacik has more than 30 years of executive experience in the health care industry, serving most recently as the Senior Vice President and Chief Financial Officer for Beckman Coulter Inc. from October 2006 until its acquisition in June 2011. Mr. Slacik recently served as a Member of the Board of STAAR Surgical Company, a medical device company, from September 2012 through September 2015 and as a Member of the Board and Chair of the Audit Committee at Sequenom, Inc., a life sciences company, from September 2012 until its acquisition in September 2016. Mr. Slacik received his B.S. in Accounting and Finance from the University of Connecticut and is a certified public accountant.

KENNETH J. WIDDER, M.D. was appointed to our Board of Directors in November 2014. Dr. Widder has more than 30 years of experience working with biomedical companies and has been a General Partner with LVP Life Science Ventures, a venture capital company for biotechnology and medical device start-ups, since 2007. Dr. Widder is also a member of the Board of Directors of Evoke Pharma Inc., a pharmaceutical company. He holds an M.D. from Northwestern University and trained in pathology at Duke University.

Board Leadership Structure and Risk Oversight

The Board of Directors believes that separate individuals should hold the positions of Chair of the Board and Chief Executive Officer, and that the Chair should not be an employee of the Company. Under our corporate governance principles, the Chair of the Board is responsible for coordinating Board activities, including the scheduling of meetings and executive sessions of the non-employee directors and the relevant agenda items in each case (in consultation with the Chief Executive Officer as appropriate). The Board of Directors believes this leadership structure enhances the Board’s oversight of and independence from our management and the ability of the Board to carry out its roles and responsibilities on behalf of our stockholders.

The Company takes a comprehensive approach to risk management. We believe risk can arise in every decision and action taken by the Company, whether strategic or operational. The Company, therefore, seeks to include risk management principles in all of its management processes and in the responsibilities of its employees at every level. Our comprehensive approach is reflected in the reporting processes by which our management provides timely and comprehensive information to the Board of Directors to support the Board’s role in oversight, approval and decision-making.

The Board of Directors closely monitors the information it receives from management and provides oversight and guidance to our management team concerning the assessment and management of risk. The Board approves the Company’s high level operating objectives, goals, strategies and policies to set the tone and direction for appropriate risk taking within the business. The Board and its committees then emphasize this tone and direction in its oversight of management’s implementation of the Company’s operating objectives, goals, strategies and policies.

Our senior executives provide the Board and its committees with regular updates about the Company’s strategies and objectives and the risks inherent within them at Board and committee meetings and in regular reports. Board and committee meetings also provide a venue for directors to discuss issues with management. The Board and committees call special meetings when necessary to address specific issues or take specific actions. In addition, our directors have access to Company management at all levels to discuss any matters of interest, including those related to risk. Those members of management most knowledgeable of the issues often attend Board meetings to provide additional insight into items being discussed, including risk exposures.

The Board of Directors has delegated oversight for matters involving certain specific areas of risk exposure to its three standing committees. Each committee generally reports to the Board of Directors at regularly scheduled Board meetings, and more frequently if appropriate, with respect to matters and risks for which that committee provides oversight. The specific responsibilities of each of our Board committees are more fully described below under the headings “Audit Committee,” “Compensation Committee” and “Nominating and Corporate Governance Committee.”

Board of Directors Meetings, Committees of the Board and Related Matters

The Board of Directors currently has standing Audit, Compensation, and Nominating and Corporate Governance Committees. The Board of Directors held six meetings, excluding committee meetings, during the year ended December 31, 2016. All directors attended at least 75% of all meetings of the Board of Directors and its committees, if any, upon which the directors served during the year ended December 31, 2016. Dr. Buechler currently serves as Chair of the Board. Information about our directors and our Board Committees in 2016 and 2017 follows.

Director Name	Committee		
	Audit	Compensation	Nominating and Corporate Governance
Thomas D. Brown			Chair
Douglas C. Bryant			
Kenneth F. Buechler, Ph.D.	ü		ü
Mary Lake Polan, M.D., Ph.D., M.P.H.		ü	
Jack W. Schuler(1)			ü
Charles P. Slacik(2)	Chair	ü	
Kenneth J. Widder, M.D.(3)	ü		Chair

Number of Committee Meetings Held in 2016: 6 1 1

ü = Committee Member Chair = Committee Chair

(1) Mr. Schuler stepped down from the Compensation Committee and the Chair role on the Nominating and Corporate

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Governance Committee effective as of February 28, 2017.

(2) Mr. Slacik was appointed to the Compensation Committee upon Mr. Schuler's departure from the committee on February 28, 2017.

(3) Mr. Widder was appointed Chair of the Nominating and Corporate Governance Committee upon Mr. Schuler's departure down from the Chair role of the Committee on February 28, 2017.

Director Independence

Our Board of Directors has determined that each of our directors, with the exception of Mr. Bryant, is independent within the meaning of Nasdaq Marketplace Rule 5605(a)(2) as adopted by The Nasdaq Stock Market LLC ("Nasdaq"), as well as by enhanced independence standards contained in Nasdaq's rules that relate specifically to audit and compensation committees. Mr. Bryant who serves as our President and Chief Executive Officer is not considered to be independent because of his employment with us.

Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in overseeing our accounting and financial reporting processes and the audits of our consolidated financial statements. In addition, the Audit Committee assists the Board of Directors in its oversight of our compliance with legal and regulatory requirements. Under the Audit Committee's written charter, the specific duties of the Audit Committee include, among others: monitoring the integrity of our financial process and systems of internal controls regarding finance, accounting and legal compliance; selecting our independent registered public accounting firm; monitoring the independence and performance of our independent registered public accounting firm; and providing an avenue of communication among our independent registered public accounting firm, our management and our Board of Directors. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to all of our employees and to our independent registered public accounting firm. The Audit Committee also has the ability to retain, at our expense and without further approval of the Board of Directors, special legal, accounting or other consultants or experts that it deems necessary in the performance of its duties.

The Audit Committee has been established in accordance with applicable Nasdaq and Securities and Exchange Commission ("SEC") rules and regulations. Our Board of Directors has also determined that Mr. Slacik qualifies as an "audit committee financial expert" within the meaning of the SEC's rules and regulations. Information about Mr. Slacik's past business and educational experience is included below under the caption "--Director Qualifications" and above under the caption "Board of Directors--Proposal No. 1--Election of Directors--Biographical Information."

Report of the Audit Committee of the Board of Directors

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the consolidated financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016 with management, including a discussion of the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the consolidated financial statements.

The Audit Committee has discussed and reviewed with our independent registered public accounting firm all matters required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Accounting Standard No. 1301 (Communications with Audit Committees), as may be modified or supplemented. The Audit Committee has met with the independent registered public accounting firm to discuss the overall scope and plans for the independent registered public accounting firm's audit, the results of its examinations, its evaluations of our internal controls and the overall quality of our accounting and financial reporting. The Audit Committee also discussed with the independent registered public accounting firm its judgments as to the substance and clarity, not just the acceptability, of our accounting principles and financial statement disclosures. The Audit Committee has also considered whether the independent registered public accounting firm's provision of non-audit services to us is compatible with the independent registered public accounting firm's independence.

The Audit Committee also reviewed management's report on its assessment of the effectiveness of our internal control over financial reporting and Ernst & Young LLP's report on the effectiveness of internal control over financial reporting.

The Audit Committee has received from the independent registered public accounting firm a formal written statement describing all relationships between the independent registered public accounting firm and us that might bear on the independent registered public accounting firm's independence consistent with PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence), discussed with the independent registered public accounting firm any relationships

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that may impact its objectivity and independence, and has satisfied itself as to the independent registered public accounting firm's independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors has approved) that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Audit Committee

Charles P. Slacik (Chair)

Kenneth F. Buechler, Ph.D.

Kenneth J. Widder, M.D.

This Report of the Audit Committee of the Board of Directors does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any Company filing under the Securities Act of 1933, as amended (the "Securities Act") or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent the Company specifically incorporates this report.

Independent Registered Public Accounting Firm

Our Audit Committee retained Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ended December 31, 2016. Set forth below are the aggregate fees agreed to by the Company for audit and other professional services rendered by our independent registered public accounting firm for the fiscal years ended December 31, 2016 and 2015.

	Fiscal Years Ended	
	December 31,	
	2016	2015
Audit fees(1)	\$1,116,231	\$1,315,663
Audit-related fees(2)	—	1,201,586
Tax fees(3)	7,269	34,443
All other fees	—	—
Total fees	\$1,123,500	\$2,551,692

Audit fees represent fees for professional services provided in connection with the audit of our consolidated financial statements, review of quarterly consolidated financial statements, audit of compliance under Section 404 (1) of the Sarbanes-Oxley Act of 2002, accounting consultations, assistance with and review of documents filed with the SEC and services provided in connection with statutory and regulatory filings.

(2) Audit-related fees consisted primarily of accounting consultations regarding due diligence and application of accounting standards.

(3) For fiscal years 2016 and 2015, tax fees primarily included tax compliance, tax advice and tax planning fees.

Policy on Audit Committee Pre-approval of Audit and Permissible Non-audit Services

The Audit Committee has the responsibility for appointing, compensating, retaining and overseeing the work of the independent registered public accounting firm. The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The Audit Committee may also pre-approve particular services on a case-by-case basis. In assessing requests for services by our independent registered public accounting firm, the Audit Committee considers whether such services are consistent with the auditor's independence, whether the independent registered public accounting firm is likely to provide the most effective and efficient service, and whether the service could enhance our ability to manage or control risk or improve audit quality.

All of the audit, audit-related, tax-related and all other fees provided by Ernst & Young LLP in fiscal years 2016 and 2015 (and as described in the footnotes to the table above) were approved in advance by the Audit Committee.

Review and Approval of Related Party Transactions

Our Audit Committee reviews all relationships, transactions and arrangements in which the Company and any director, nominee for director, officer and greater than 5% beneficial holder of Company stock or any immediate family member of any of the foregoing are participants ("Interested Transactions") to determine whether such persons

have a direct or indirect material interest and whether to approve, disapprove or ratify an Interested Transaction. We have written policies and

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procedures for monitoring and seeking approval in connection with any Interested Transaction. Our legal and finance departments assist in monitoring Interested Transactions and our Audit Committee reviews, approves (or disapproves) or ratifies Interested Transactions. In considering whether to approve or ratify an Interested Transaction, the Audit Committee takes into account, among other factors it deems appropriate, whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar terms and conditions and the extent of the related person's interest in the Interested Transaction. In addition, our written policy provides that no director shall participate in any discussion or approval of an Interested Transaction for which he or she is a related party, except that the director shall provide all material information concerning the Interested Transaction to the Audit Committee.

Related Party Transactions

No director, executive officer, nominee for election as a director or any beneficial holder of more than 5% of our outstanding capital stock had any material interest, direct or indirect, in any reportable transaction with us during the 2016 fiscal year or since the commencement of the current fiscal year, or any reportable business relationship with us during such time.

Compensation Committee

The Compensation Committee is responsible for assisting the Board of Directors in discharging its responsibilities regarding the compensation of our employees and directors. Under the Compensation Committee's written charter, the specific duties of the Compensation Committee include, among other matters: reviewing and approving (or recommending to the Board of Directors for approval) corporate goals and objectives relevant to executive compensation; evaluating our executive officers' performance in light of such goals and objectives; determining (or recommending to the Board of Directors for determination) the compensation levels of our executive officers based on such evaluations; administering our incentive compensation plans, including our equity-based incentive plans; and making recommendations to our Board of Directors regarding our overall compensation structure, policies and programs. The Compensation Committee also has the ability to retain, at our expense and without further approval of the Board of Directors, compensation consultants and advisors that it deems necessary in the performance of its duties.

Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed the "Compensation Discussion and Analysis" in this proxy statement, and discussed that analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to our Board of Directors that the "Compensation Discussion and Analysis" section be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 and this Proxy Statement. This report is provided by the following independent directors, who comprise the Compensation Committee:

Compensation Committee

Thomas D. Brown (Chair)

Mary Lake Polan, M.D., Ph.D., M.P.H.

Charles P. Slacik

This Compensation Committee Report does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any Company filing under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates this report.

Compensation Committee Interlocks and Insider Participation

Mr. Brown, Dr. Polan and Mr. Slacik are not current or former officers or employees of ours, and none has engaged in any transaction that would be required to be disclosed in this Proxy Statement by Item 404 of Regulation S-K. There is no relationship that requires disclosure as a compensation committee interlock for purposes of Item 407(e)(4) of Regulation S-K.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for assisting the Board of Directors in identifying qualified individuals to become Board members; recommending the composition of the Board of Directors and its committees; monitoring and assessing the effectiveness of the Board of Directors and its committees; and performing a leadership role in shaping and monitoring our Corporate Governance Guidelines. Under the Nominating and Corporate Governance Committee's written charter, the specific duties of the Nominating and Corporate Governance Committee include, among other matters: identifying, reviewing and recruiting candidates for the Board of Directors for election to the Board; reviewing director candidates recommended by our stockholders; monitoring the independence of current directors and nominees; recommending to the Board of Directors candidates for election or re-election to the Board at each annual meeting of stockholders; and overseeing the periodic evaluation of the Board, its committees and each of our incumbent directors.

Meetings of Non-Management Directors

The non-management members of the Board of Directors regularly meet without any members of management present during regularly scheduled and periodic executive sessions of meetings of the Board of Directors as well as in committee meetings.

Director Nominations

The Nominating and Corporate Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. The Nominating and Corporate Governance Committee utilizes a variety of methods for identifying and evaluating director candidates. Candidates may come to the attention of the Nominating and Corporate Governance Committee through current directors, professional search firms, stockholders or other persons.

Once the Nominating and Corporate Governance Committee has identified a prospective nominee, the Nominating and Corporate Governance Committee will evaluate the prospective nominee in the context of the then-current composition of the Board of Directors and will consider a variety of other factors, including the prospective nominee's business, technology, industry, finance and financial reporting experience and other attributes that would be expected to contribute to an effective Board of Directors. The Nominating and Corporate Governance Committee seeks to identify nominees who possess a wide range of experience, skills, and areas of expertise, knowledge and business judgment. Nominees must have the attributes described below under the caption "--Director Qualifications."

Our Nominating and Corporate Governance Committee will consider stockholder recommendations for directors. A stockholder may propose a person for consideration by the committee by submitting the individual's name and qualifications to our Corporate Secretary, Quidel Corporation, 12544 High Bluff Drive, Suite 200, San Diego, CA 92130. The Nominating and Corporate Governance Committee will consider each stockholder-recommended candidate in the same manner and under the same criteria used to evaluate all other candidates. As described in our Corporate Governance Guidelines, in evaluating the suitability of individuals to serve as members of our Board of Directors, the Board of Directors and Nominating and Corporate Governance Committee consider a number of factors, including: experience at a policy-making level; strategic thinking; depth of understanding of the Company's industry, including relevant technology, leadership and objectivity; and a general understanding of marketing, financing and other disciplines relevant to the success of a publicly-traded company and sound principles of corporate governance in today's business environment. The Board of Directors and the Nominating and Corporate Governance Committee evaluate each individual in the context of Board functions as a whole and in light of the then-current needs of the Board at that point in time, with the objective of providing independent, diversified and effective representation of the interests of our stockholders.

In addition, stockholders who wish to nominate candidates for election to the Board of Directors at any annual meeting must follow the procedures set forth in our bylaws, including providing timely written notice, in proper form,

of the intent to make such a nomination. To be timely, the notice must be received within the time frame discussed below in this Proxy Statement under the heading “Stockholder Proposals.” To be in proper form, the notice must, among other matters, include the information specified in our bylaws. These requirements are further described below under the heading “Meeting and Other Information--Stockholder Proposals” and are detailed in our bylaws.

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Director Qualifications

Members of our Board of Directors should possess the highest personal and professional ethics, integrity, judgment and values, and be committed to representing the long-term interests of our stockholders. As described in our Corporate Governance Guidelines, our Board of Directors is particularly interested in maintaining a mix that includes the following attributes:

- History of superior performance or accomplishments in professional undertakings;
- Highest personal and professional ethics and values and sound principles of corporate governance in today's business environment;
- A depth of understanding of the Company's industry, including relevant technology, leadership and objectivity and a general understanding of marketing, finance and other disciplines relevant to the success of a publicly-traded company;
- Diversity of background and personal experience;
- Fit of abilities and personality with those of current and potential directors in building a Board of Directors that is effective, collegial and responsive to the needs of our business; and
- Independence and an absence of conflicting time commitments.

We believe our Board members represent a desirable mix of backgrounds, skills and experiences, and they all share the personal attributes of effective directors, which are described above. Below are some of the specific experiences and skills of our current directors:

Thomas D. Brown. Mr. Brown has a strong record of operational success and extensive knowledge of the diagnostics industry and technology utilized by the Company through his various executive leadership positions at Abbott Laboratories. He also has extensive executive leadership and governance experience through his service on the boards of other companies.

Douglas C. Bryant. Mr. Bryant is our President and Chief Executive Officer. Mr. Bryant has a background of strong executive experience in the diagnostics industry in the U.S. and internationally. He brings over 30 years of industry experience in sales and marketing, product development, manufacturing and service and support in the diagnostics and life sciences markets. In addition, as our President and Chief Executive Officer, the Board believes it is appropriate for him to be a member of our Board.

Kenneth F. Buechler, Ph.D. Dr. Buechler has extensive experience in the field of diagnostics as a scientist and through his founding of Biosite, Inc. He also has extensive executive leadership and governance experience through his service on the boards of other companies.

Mary Lake Polan, M.D., Ph.D., M.P.H. Dr. Polan is a prominent medical clinician, researcher and academician. She has extensive experience in the area of women's health, which is an important area for us. As a medical doctor, Dr. Polan brings an important practicing physician perspective in evaluating and overseeing the Company's performance and strategic direction.

Jack W. Schuler. Mr. Schuler has more than 40 years of experience as an executive, director and investor in the healthcare industry. Mr. Schuler has extensive knowledge of the diagnostics industry and technology utilized by the Company. He also has extensive executive leadership and governance experience through his service on the boards of other companies.

Charles P. Slacik. Mr. Slacik has a strong financial background as an executive. He is an audit committee financial expert as a result of his prior professional experience as a Certified Public Accountant, experience as a chief financial officer of a large medical device company and as a former member and chair of an audit committee of another U.S. public company.

Kenneth J. Widder, M.D. Dr. Widder has more than 30 years of experience working with biomedical companies. Dr. Widder also has a strong background related to investments in emerging healthcare companies and serves on the boards of several other companies. As a medical doctor, trained in pathology, Dr. Widder provides valuable insight from the perspective of both an executive and that of a physician.

Communications with the Board of Directors

Our stockholders may communicate with our Board of Directors, a committee of our Board of Directors or an individual director by sending a letter addressed to the Board, a committee or a director c/o Corporate Secretary,

Quidel Corporation, 12544 High Bluff Drive, Suite 200, San Diego, CA 92130. All communications will be compiled by our Corporate Secretary and forwarded to the Board of Directors, the committee or the director accordingly.

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Director Attendance at Annual Meetings

Our Board of Directors has adopted a policy that encourages our directors to attend our annual stockholder meetings. All of our continuing directors attended the 2016 annual meeting of stockholders, with the exception of Dr. Polan.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all our officers, directors and employees. If we grant any waiver, including any implicit waiver, to our principal executive, financial or accounting officers (or persons performing similar functions), we will disclose the nature of such amendment or waiver on our website at www.quidel.com or in a report on Form 8-K in accordance with applicable rules and regulations.

Access to Corporate Governance Documentation and Other Information Available on Our Website

Our Code of Business Conduct and Ethics, the current charters for each of the Audit, Compensation and Nominating and Corporate Governance Committees and the Company's Corporate Governance Guidelines are accessible via our website at www.quidel.com through the "Investor Relations" link under the heading "Corporate Governance."

DIRECTOR COMPENSATION

The current compensation and benefit program for non-employee directors is designed to achieve the following goals: compensation should fairly pay directors for work required for a company of our size and scope; compensation should align directors' interests with the long-term interests of our other stockholders; and the structure of the compensation should be simple, transparent and easy for stockholders to understand. The table below relating to non-employee directors' compensation includes the following compensation elements:

Annual Cash Retainers

The Chair of the Board of Directors currently receives an annual cash retainer of \$92,400. Each of the other non-employee directors receives an annual cash retainer of \$40,150.

The Chair of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee receives an additional annual cash retainer of \$15,000, \$10,000 and \$7,500, respectively.

Non-Employee Director Deferred Compensation Program

In December 2010, the Board of Directors adopted a non-employee director deferred compensation program that began in 2011. Participating directors may elect on a yearly basis (for the yearly period between the Company's annual meetings of stockholders) to receive 50% or 100% of the cash value of the director's (i) annual retainer fee and (ii) compensation for services as a chair of any of the Board's standing committees (collectively, the "Covered Fees") in the form of fully vested, restricted stock units plus an additional premium on such percentage of the Covered Fees, also in the form of additional restricted stock units, which are subject to a one-year vesting requirement (the "Director Premium RSUs"). The additional premium applicable to the Director Premium RSUs shall be determined based on the length of time of the deferral period (between the date of grant and the date the shares of common stock underlying the RSUs are selected to be issued) selected by the participating director as follows: (i) if one (1) year from the date of grant, a premium of 10% on the amount deferred of the Covered Fees; (ii) if two (2) years from the date of grant, a premium of 20% on the amount deferred of the Covered Fees; or (iii) if four (4) years from the date of grant, a premium of 30% on the amount deferred of the Covered Fees. The RSUs are granted under the Company's Amended and Restated 2010 Equity Incentive Plan (or applicable successor plan) as of the date of the applicable annual meeting of stockholders, and the number of shares awarded as RSUs is calculated based on the closing price of the Company's shares on the date of the applicable annual meeting.

The table below illustrates the amount deferred, deferral period and amount of Covered Fees RSUs and Premium RSUs granted to each non-employee director for 2016:

Name	Amount Deferred	Deferral Period	Covered Fees RSUs	Premium RSUs
Thomas D. Brown	100 %	2 years	3,186	637
Kenneth F. Buechler, Ph.D.	100 %	2 years	5,870	1,174
Mary Lake Polan, M.D., Ph.D., M.P.H.	100 %	4 years	2,550	765
Jack W. Schuler	100 %	4 years	3,027	908
Charles P. Slacik	100 %	2 years	3,503	700
Kenneth J. Widder, M.D.	100 %	2 years	2,550	510

Periodic Equity Awards

The Board of Directors periodically assesses potential equity awards to non-employee directors in lieu of an annual automatic grant of stock options, as contemplated under the 2016 Plan. The Board of Directors suspended the automatic grants program in May 2004 on an indefinite basis.

On May 17, 2016, the Board of Directors approved an award of stock options and RSUs in equal amounts to the amounts granted in the prior year. Accordingly, grants were made to each of the Company's non-employee directors as follows: (i) a grant of 9,215 stock options and 1,263 RSUs to the Chair of the Board (with a Black-Scholes value of approximately \$7.74 per option as of the grant date and a fair value based on the closing price of our common stock per RSU on the date of grant) and (ii) a grant of 7,021 stock options and 962 RSUs to each of the Company's non-employee directors (with a Black-Scholes value of approximately \$7.74 per option as of the grant date and a fair value based on the closing price of our common stock per RSU on the date of grant). The stock options and RSUs vest

upon the one-year anniversary of the grant date. The exercise price for the stock options was equal to the closing price of the Company's common stock as of the grant date in accordance with the Company's Amended and Restated 2010 Equity Incentive Plan. The options have a ten-year term.

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Director Compensation Table

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Option Awards \$(3)	Total (\$)
Thomas D. Brown	50,150	25,168	54,343	129,661
Kenneth F. Buechler, Ph.D.	92,400	38,358	71,324	202,082
Mary Lake Polan, M.D., Ph.D., M.P.H.	40,150	27,183	54,343	121,676
Jack W. Schuler	47,650	29,434	54,343	131,427
Charles P. Slacik	55,150	26,160	54,343	135,653
Kenneth J. Widder, M.D.	40,150	23,169	54,343	117,662

(1) This column reports the amount of Covered Fees, including cash payments and Covered Fees deferred in return for RSUs (Covered Fees RSUs).

This column represents the grant date fair value with respect to the RSUs and Premium RSUs granted in 2016. For additional information on the valuation assumptions with respect to the 2016 grants of options and RSUs, see "--Periodic Equity Awards" above and Note 5 of our consolidated financial statements in our

(2) Annual Report on Form 10-K for the year ended December 31, 2016. At December 31, 2016, the aggregate number of restricted stock awards, including RSUs and Premium RSUs, held by each Director was: Mr. Brown 25,468; Dr. Buechler 21,042; Dr. Polan 16,299; Mr. Schuler 26,828; Mr. Slacik 5,165; and Dr. Widder 6,129.

This column represents the grant date fair value with respect to the stock options granted to the directors in 2016. For additional information on the valuation assumptions with respect to the 2016 grants of options and RSUs, see "--Periodic Equity Awards" above and note 5 of our consolidated financial statements in our Annual Report on

(3) Form 10-K for the year ended December 31, 2016. The fair value per option granted in 2016 was \$7.74 per option, based on assumptions of 8.5 years expected life, expected volatility of 0.41, a risk-free rate of 1.67% and zero dividend yield. At December 31, 2016, the aggregate number of option awards held by each Director was: Mr. Brown 98,700; Dr. Buechler 98,039; Dr. Polan 98,700; Mr. Schuler 31,164; Mr. Slacik 11,030; and Dr. Widder 17,375.

2017 Director Compensation

Consistent with the Compensation Committee's annual review of our director compensation program, the Compensation Committee reviewed the amount of compensation paid to our non-employee directors. In connection with its review of our director compensation program, the Compensation Committee held discussions with its independent compensation consultant, Deloitte Consulting LLP, and considered publicly available director compensation data from the companies in our peer group, as well as other information. Upon the conclusion of this process, the Compensation Committee determined that director compensation for non-chair, non-employee directors should be adjusted to increase the value of annual equity awards modestly and split equity awards more evenly between stock options and restricted stock units because the Compensation Committee believed that the Company's director compensation was below the levels prevalent in our peer group and it wanted to ensure that the Company would continue to remain competitive in its ability to retain and attract qualified directors. Specifically, the Compensation Committee determined that it was appropriate to (i) increase the annual equity award value to \$100,000 for each non-chair, non-employee director and (ii) adjust the annual equity award allocation to 50% stock options and 50% restricted stock units, from 75% stock options and 25% restricted stock units, and recommended these change to our Board of Directors. In addition, the Compensation Committee determined it was appropriate to modify the non-employee deferred compensation program for 2017/2018 to provide for stock payments in lieu of fully vested, restricted stock units if directors elect to participate and agree to hold such stock for an selected deferral period. Our Board of Directors unanimously approved the recommended changes to the compensation paid to our directors consistent with the Compensation Committee's recommendation, to take effect as of the Company's 2017 Annual Meeting of Stockholders.

Director Stock Ownership Guidelines

We believe that each director should have a meaningful equity investment in our Company. Our director stock ownership guidelines were recently revised to increase the ownership threshold to provide that directors are encouraged to own Common Stock equal in value to three times the total annual base compensation for non-employee directors. Directors are expected to acquire and maintain this share ownership threshold within five years of joining the Board of Directors. All directors meet these ownership guidelines or are in compliance with the guidelines and are retaining equity awards until compliance is reached.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Throughout this proxy statement, the individuals who served as our Chief Executive Officer and Chief Financial Officer during fiscal 2016, as well as the other individuals listed in the Summary Compensation Table below, are referred to as the “Named Executive Officers.”

Executive Summary

Most of our compensation decisions are determined in the first few months of our fiscal year, after review of our performance and the performance of our Chief Executive Officer and the other executive officers. We believe the compensation of all of our Named Executive Officers for 2016 aligned well with both our performance in 2016 and the objectives of our executive compensation policies. The Company’s 2016 performance highlights included:

- Generated \$191.6 million in total revenue and \$71.8 million in Influenza product revenue;

- Generated \$60.4 million in revenues from New Products (Sofia® and Molecular products), responsible for 32% of total revenue;

- Achieved over 17,500 cumulative Sofia instrument placements worldwide;

- Received 510(k) clearance from the FDA for 4 new Solana® assays for the diagnosis of nine total targets:

 - Trichomonas, Influenza A+B, Strep A+ C/G and HSV 1+2/VZV; and

Prudently managed the business, as Research & Development (R&D) and Sales and Marketing (S&M) expenses came in less than originally expected (R&D increased by \$3.2 million dollars from prior year and S&M expense was consistent with the prior year).

Overview and Philosophy

The core objectives of our executive compensation program are to (1) support our mission, values and corporate strategies by adopting a “pay for performance” philosophy that provides incentives to our executive officers and employees for support of these core principles; (2) align the interests of management with those of our stockholders; and (3) attract, retain and motivate high quality executives. Towards these objectives, our compensation program is designed with the following principles:

- Provide an opportunity for the Company to communicate to our executive officers and employees our performance expectations and priorities directly through the selection of performance measures on which compensation is based, and calibrate payouts with achievement of those performance measures;

- Align pay such that management shares in value created from their efforts, and the Company’s compensation expense is correlated to its profitability and stockholder returns;

- Balance rewards appropriately between efforts and results;

- Offer a competitive total compensation opportunity; and

- Have a significant portion of total compensation paid to our executive officers in equity and dependent upon the achievement of performance goals of the Company.

Our compensation program focuses on both short and long-term results and is composed of three key elements:

(1) base salaries, which reflect individual performance and responsibilities; (2) annual cash incentive opportunities, which are a function of the performance of the Company; and (3) longer-term stock-based incentive opportunities under our equity incentive plans, generally in the form of stock options or restricted stock or unit grants, which link the interests of senior management with our other stockholders. Each of our compensation elements is designed to simultaneously fulfill one or more of our core objectives.

When setting compensation for 2017 and in determining compensation policies, the Compensation Committee engaged Deloitte Consulting LLP (“Deloitte Consulting”) in the second half of 2016 to advise on the Company’s executive compensation programs and took into account the results of the stockholder advisory votes on executive compensation that took place in May 2016. In that vote, which was advisory and not binding, our stockholders approved the compensation of our Named Executive Officers as disclosed in the Proxy Statement for the 2016 Annual Meeting of Stockholders with approximately 99% of votes cast in favor of the compensation of our Named Executive Officers. The Compensation Committee considered the advice of Deloitte Consulting and results of the advisory vote and continued to apply the same general compensation principles and philosophy, while making some adjustments to the Company’s compensation programs. We currently hold annual advisory votes on executive compensation and are

again asking our stockholders to express their preference on the frequency of say-on-pay votes at this year's annual meeting of stockholders.

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Administration

The Compensation Committee of the Board of Directors administers the Company's executive compensation programs and approves (or recommends to the Board of Directors for approval) salaries of all executive officers, including those of the senior executive officers named in the Summary Compensation Table. The Compensation Committee is responsible for reporting to the Board of Directors and administering all other elements of executive compensation, including annual cash incentive and equity awards.

Compensation Plan Design and Key Elements Used to Achieve Compensation Objectives

The cash components of salary and annual incentive bonus are targeted to be moderate, yet competitive in relation to salaries and annual incentive bonuses paid to officers in similar positions in comparable companies.

Our 2016 long-term equity incentive program for our Named Executive Officers included incentive stock-based awards in the form of both non-qualified stock options and time-based restricted stock units. The vesting for both the non-qualified stock option awards and the restricted stock units is over a four-year period with 50% vesting on the second anniversary of the grant date and the remainder vesting 25% annually thereafter. The stock options have an exercise price equal to the closing price of the Company's common stock on the date of grant.

Our 2017 long-term equity incentive programs for our Named Executive Officers includes incentive stock-based awards in the form of non-qualified stock options, time-based restricted stock units and performance-based restricted stock units. The vesting for the non-qualified stock option awards is over a four-year period with 50% vesting on the second anniversary of the grant date and the remainder vesting 25% annually thereafter. The stock options have an exercise price equal to the closing price of the Company's common stock on the date of grant. The vesting for the time-based restricted stock units is 100% on the four-year anniversary of the grant date. The vesting for the performance-based restricted stock units is over a three-year time period and is tied to the achievement of net revenue growth targets, as adjusted for influenza revenue volatility.

The Compensation Committee engaged Deloitte Consulting to conduct a review of the competitiveness of the Company's executive compensation programs in the latter half of 2016 in connection with the Company's 2017 executive compensation programs and has previously engaged third-party compensation consultants to review competitiveness of base salaries, short-term cash incentives, and both short-term and long-term equity incentive programs. Our executive compensation program design builds on the analysis and direction of these consultants, taking into account data from the annual Radford Global Life Sciences Survey and incorporating review of comparative groups of publicly-traded companies with similar revenue and employee population profiles. The Radford Global Life Sciences Survey provides data from participating companies with respect to their compensation practices in numerous areas and with respect to various positions, including senior management positions. The companies in our public company peer group were selected based on various factors, including industry, market capitalization, revenues and number of employees. The companies in the peer group for 2016 were:

Abaxis, Inc.	Merit Medical Systems, Inc.
Cepheid	Myriad Genetics, Inc.
Genomic Health, Inc.	Natus Medical
Luminex Corporation	Orasure Technologies, Inc.
Meridian Bioscience Inc.	

The median peer group non-affiliate market capitalization was \$1.2 billion, revenues were \$287.5 million, and number of employees was 806, based on information reported in peers' annual reports for fiscal years ending in 2015. The Compensation Committee determined that no changes were required to the peer group in 2016.

Our Compensation Committee utilizes management (and from time to time independent compensation consultants, such as Deloitte Consulting in 2016) to gather market data and provide analyses of peers' compensation programs. The Compensation Committee does not have a philosophy of setting compensation based on specific formulaic benchmarking comparisons, but it does take into account the guidance of compensation consultants and reviews peer group data and Radford Global Life Sciences Survey data in setting moderate, yet competitive compensation.

Specifically with regard to long-term equity incentive granting practices, our peer group companies' equity grants are on average more evenly split between stock options and restricted stock units. Our Compensation Committee has historically chosen to weight the long-term equity incentive grants to relatively more stock options to the Company's

Named Executive Officers to reinforce the alignment with stockholders and emphasize future stock performance.

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In 2016, 75% of the value of the equity incentive awards was provided in the form of non-qualified stock options, which the Committee believes are inherently performance-based and consistent with the Company's philosophy, and 25% of the value was provided in the form of time-based restricted stock units. In 2017 our Compensation Committee decided to align our executive compensation practices more closely with our peer group, in part based on the advice of Deloitte Consulting, and chose to more evenly allocate the value of the equity incentive awards between stock options and restricted stock units, with 50% of the value of the awards provided in the form of non-qualified stock options and 50% of the value of the equity incentives awards in the form of restricted stock units. In addition, our Compensation Committee determined it would be in the interest of stockholders to evenly split the value of the restricted stock units between time-based restricted stock units and performance-based restricted stock units.

Base Salary

Base salaries are reviewed annually and are targeted to be moderate, yet competitive in relation to salaries paid to officers in similar positions in comparable companies. With the exception of the Chief Executive Officer, whose performance is reviewed directly by the Board of Directors, performance of all other executive officers is reviewed through regular conversations on goals and achievement with the Chief Executive Officer in consultation with the Compensation Committee (and/or the Board of Directors).

In 2016, in connection with the setting of the base salary of our executive officers, the Compensation Committee considered peer group analysis and also examined survey data for executives with similar responsibilities in comparable companies in the medical device/diagnostics and biotechnology industries, using a custom report from the 2016 Radford Global Life Sciences Survey data based on companies with a similar number of employees compared to our company. The base salaries of each of our executive officers were set taking into account comparable data for salaries relevant for their positions, and then modified to further take into account our executive officers' experience and skills.

Annual Cash Incentive Awards

Our annual cash incentive program provides the potential for receipt of competitive levels of annual incentive cash compensation and is designed to reward senior management for their contributions to annual corporate objectives. Under our annual cash incentive program, each participating officer is entitled to receive a cash bonus based on achievement of certain corporate goals in the particular fiscal year. Goals and payouts are calibrated to strike the appropriate balance between being reasonably achievable, and thereby motivating executives, while targeting improved performance. The balance is intended to result in the Company receiving an appropriate return on its annual incentive investment. The corporate performance goals are selected to require sustained performance and results from senior management. Each eligible executive's potential annual award under the annual cash incentive program is expressed as a percentage of base salary earned by the individual during the fiscal year.

Under our traditional annual cash incentive compensation program, the target bonus in 2016 for our Chief Executive Officer was 125% of annual base salary, for other executive officers, 75% of annual base salary, and for all other participating non-executive officers, 50% of annual base salary.

In February 2016, the Compensation Committee approved the 2016 Executive Incentive Compensation Plan (the "2016 Cash Incentive Plan"). For 2016, the Compensation Committee determined it was appropriate to continue to provide a broader array of incentive targets rather than simply revenue and EBITDA goals. In setting these targets, the Compensation Committee recognized that fluctuations in the severity of an influenza season affects the Company's results, yet the severity of an influenza season is otherwise outside the control of our executive officers and management. Similar to the 2015 Cash Incentive Plan, the 2016 Cash Incentive Plan was designed to encourage improved performance in objectives not related to the intensity of any given influenza season and by doing so, was designed to improve long-term performance and results for the Company and its stockholders.

The 2016 Cash Incentive Plan consisted of the following four components: (1) revenue performance on core products; (2) revenue performance on new products; (3) earnings per share ("EPS"); and (4) defined financial performance and corporate impact goals. Each component of the 2016 Cash Incentive Plan included targets at minimum, plan/target and maximum payout. The minimum targets served as the threshold upon which the incentive pool would begin to fund for that component. Achievement of the components at plan/target earn the target cash incentive opportunity. Payouts are calculated along a linear continuum from minimum to plan/target and from plan/target to maximum with

the maximum target serving as the point at which the management team earns the highest possible cash incentive opportunity. The minimum target must be met in order for a portion of the bonus to be paid relative to any one of the four components and each component is measured separately. The Compensation Committee could adjust the targets to take into account variability in severity of the influenza season (so that management was neither enriched nor penalized for factors outside their control). In addition, the number of shares outstanding upon the adoption of the 2016 Cash Incentive Plan was used for calculating EPS so that, consistent with prior

years, changes in the number of shares outstanding do not affect the EPS metric used to calculate that component. The Compensation Committee also retained the right to exercise discretion to award bonuses at a lower amount than the amount funded by the formula provided under the 2016 Cash Incentive Plan.

The following table represents the threshold, target and maximum bonus for each of the Company's Named Executive Officers as a percent of such employee's annual base salary for the 2016 Cash Incentive Plan:

Executive Officer	Threshold	Target	Maximum
Douglas C. Bryant President and CEO	43.75 %	125 %	150 %
Randall J. Steward Chief Financial Officer	26.25 %	75 %	90 %
Robert J. Bujarski SVP, Business Development and General Counsel	26.25 %	75 %	90 %
Werner Kroll, Ph.D. SVP, Research and Development	26.25 %	75 %	90 %
Edward K. Russell SVP, Global Commercial Operations	26.25 %	75 %	90 %

Bonus payouts to our executive officers for 2016 were based 70% on achievement of revenue performance and EPS goals and 30% on corporate impact goals.

On February 15, 2017, the Compensation Committee approved payout, effective February 17, 2017, to executive officers under the 2016 Cash Incentive Plan for achievement of financial goals and corporate impact goals at 56% of target. Achievement of the financial goals was based on core product revenue and new product revenue compared to plan as well as EPS, adjusted for changes in Quidel share of the influenza test market, and was determined to have been achieved at 29% of a possible 70% and corporate impact goals dealing with regulatory submissions and commercialization that were determined to have been achieved at 27% of a possible 30%. The bonuses earned by Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell were \$391,192, \$153,324, \$152,359, \$147,053 and \$152,337, respectively.

In February 2017, the Compensation Committee approved the 2017 Executive Incentive Compensation Plan (the "2017 Cash Incentive Plan"). For 2017, the Compensation Committee determined it was appropriate to streamline the incentive targets to a limited set of key components. Similar to the 2016 Cash Incentive Plan, the 2017 Cash Incentive Plan was designed to encourage improved performance in objectives not related to the intensity of any given influenza season and by doing so, was designed to improve long-term performance and results for the Company and its stockholders. The 2017 Cash Incentive Plan consists of the following three components: (1) revenue performance; (2) EBITDA; and (3) achievement of commercial channel efficiencies. Each component of the 2017 Cash Incentive Plan includes targets at minimum, plan/target and maximum payout. The minimum targets serve as the threshold upon which the incentive pool will begin to fund for that component. Achievement of the components at plan/target will earn the target cash incentive opportunity. Payouts will be calculated along a linear continuum from minimum to plan/target and from plan/target to maximum with the maximum target serving as the point at which the management team will earn the highest possible cash incentive opportunity. The minimum target must be met in order for a portion of the bonus to be paid relative to any one of the three components and each component will be measured separately. The Compensation Committee may adjust the targets to take into account acquisitions and the variability in severity of the influenza season (so that management is neither enriched nor penalized for factors outside management's control). The Compensation Committee also retains the right to exercise discretion to award bonuses at a lower amount than the amount funded by the formula provided under the 2017 Cash Incentive Plan.

Under the 2017 Cash Incentive Plan, the maximum bonus has been increased to 175% of annual base salary for our Chief Executive Officer and 100% of annual base salary for our other executive officers.

The following table represents the threshold, target and maximum bonus for each of the Company's Named Executive Officers as a percent of such employee's annual base salary for the 2017 Cash Incentive Plan:

Executive Officer	Threshold	Target	Maximum
Douglas C. Bryant President and CEO	62.5 %	125 %	175 %
Randall J. Steward Chief Financial Officer	37.5 %	75 %	100 %
Robert J. Bujarski SVP, Business Development and General Counsel	37.5 %	75 %	100 %
Werner Kroll, Ph.D. SVP, Research and Development	37.5 %	75 %	100 %
Edward K. Russell SVP, Global Commercial Operations	37.5 %	75 %	100 %

Bonus payouts to our executive officers for the 2017 Cash Incentive Plan will be based 40% on achievement of revenue performance; 40% on EBITDA goals; and 20% on achievement of channel efficiencies.

Deferred Bonus Program

Each of the above officers was also eligible to elect to participate in the Company's 2016 Employee Deferred Bonus Compensation Program (the "2016 Deferred Program") with respect to any payments received under the 2016 Cash Incentive Plan. Electing officers could elect to receive 50% or 100% of the cash value of his 2016 cash bonus (the "Covered Bonus") (payable (if applicable) per the terms and conditions of the 2016 Cash Incentive Plan) in the form of fully vested, restricted stock units (the "Converted RSUs") plus an additional premium on such percentage of the Covered Bonus in the form of additional restricted stock units, which are subject to a one-year vesting requirement (the "Premium RSUs"). The additional premium applicable to the Premium RSUs will be determined based on the length of time of the deferral period (between the date of grant and the date the shares of common stock underlying the Converted RSUs are selected to be issued) selected by the participating employee as follows: (i) if one (1) year from the date of grant, a premium of 10% on the amount deferred of the Covered Bonus; (ii) if two (2) years from the date of grant, a premium of 20% on the amount deferred of the Covered Bonus; or (iii) if four (4) years from the date of grant, a premium of 30% on the amount deferred of the Covered Bonus.

Elections for the 2016 Deferred Program, which are now irrevocable, were made by the following executive officers:

Executive Officer	Amount	Deferral
	Deferred	Period
Douglas C. Bryant President and CEO	50 %	4 years
Robert J. Bujarski SVP, Business Development and General Counsel	50 %	4 years
Werner Kroll, Ph.D. SVP, Research and Development	50 %	4 years
Edward K. Russell SVP, Global Commercial Operations	50 %	1 year

The Converted RSUs will be fully vested on the grant date. The Premium RSUs will be fully vested on the first anniversary of the grant date. Subject to the terms and conditions in the grant award agreement, the issuance of the shares of common stock underlying Converted RSUs will be issued as soon as administratively practicable after the earliest of: (1) the end of the deferral period selected by the participating employee, (2) the participating employee's separation from service to the Company, and (3) a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company (a "Change in Control"). The shares of common stock underlying the Premium RSUs will have the same applicable issuance periods as outlined in the foregoing sentence for Converted RSUs with acceleration of the one-year vesting requirement in connection with a Change in Control, provided, however, that if a participating employee's service is terminated for any reason (outside of a Change in Control) prior to the one-year vesting requirement, the Premium RSUs shall be forfeited and canceled as of the date

of such termination of service.

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The Compensation Committee determined to suspend the Employee Deferred Bonus Compensation Program for 2017 pending further review and consideration of the program.

Longer-Term Equity Incentive Awards

Longer-term equity-based incentive awards in the form of stock options and/or restricted stock units are intended to align the interests of management with those of the Company's other stockholders and promote retention of our executives by using continued service as a requirement to receive the value of the awards. The number of stock options and/or shares of restricted stock units granted is related to the individual's level of responsibility and allows executives to share in the value they help create. Generally, the Compensation Committee does not consider an executive's stock holdings or outstanding equity awards in determining the number of equity awards to be granted; however, the Compensation Committee does take into consideration the total number of outstanding shares of our common stock, the relative dilution to stockholders, as well as our gross equity burn rate, issued equity overhang and total equity overhang in determining the number of equity awards to be granted. The Compensation Committee believes that the Company's executive officers should be fairly compensated each year relative to market pay levels of the Company's peer group. The Compensation Committee views longer-term equity incentives as a primary compensation means for retaining executives.

Our 2016 long-term equity incentive program for our Named Executive Officers included incentive stock-based awards in the form of both non-qualified stock options and time-based restricted stock units. The vesting for both the non-qualified stock option awards and the restricted stock units is over a four-year period with 50% vesting on the second anniversary of the grant date and the remainder vesting 25% annually thereafter. The stock options have an exercise price equal to the closing price of the Company's common stock on the date of grant. With the 2016 equity incentive awards, the Compensation Committee determined to more heavily weight the total dollar value of the long-term incentive award toward stock options because the Committee believes stock options are inherently performance-based and consistent with the Company's philosophy to link pay and performance and utilizes vesting requirements to create an appropriate long-term incentive for our executives. In 2016, 75% of the value of the equity incentive awards was provided in the form of non-qualified stock options. The use of time-vested restricted stock units for the remaining portion of the awards is designed to achieve the goal of retaining our executives while providing an additional performance incentive since the ultimate value of the award will vary with our stock price.

In 2016, Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell were awarded non-qualified stock options and shares of time-based restricted stock units as follows:

Executive Officer	Dollar Value of Aggregate Award	Number of Options/Time Based Restricted Stock Units (RSUs)
Douglas C. Bryant President and CEO	\$ 746,356	12,815 RSUs 93,847 Options
Randall Steward Chief Financial Officer	\$ 310,974	5,339 RSUs 39,103 Options
Robert J. Bujarski SVP, Business Development and General Counsel	\$ 279,870	4,805 RSUs 35,192 Options
Werner Kroll, Ph.D. SVP, Research and Development	\$ 279,870	4,805 RSUs 35,192 Options
Edward K. Russell SVP, Global Commercial Operations	\$ 279,870	4,805 RSUs 35,192 Options

Our 2017 long-term equity incentive program for our Named Executive Officers includes incentive stock-based awards in the form of non-qualified stock options, time-based restricted stock units and performance-based restricted stock units. The vesting for the non-qualified stock option awards is over a four-year period with 50% vesting on the second anniversary of the grant date and the remainder vesting 25% annually thereafter. The stock options have an exercise price equal to the closing price of the Company's common stock on the date of grant. With the 2017 equity

incentive awards, the Compensation Committee determined to more evenly weight the total dollar value of the long-term incentive award between stock options and restricted stock units to align executive compensation with peer group practices. In 2017, 50% of the value of the equity incentive awards was provided in the form of non-qualified stock options and 50% of the value of the equity awards was provided in the form of restricted stock units. The restricted stock units were divided equally between time-vested restricted stock units and performance-based restricted stock units to better align with corporate performance goals. The vesting for the time-based restricted stock units is 100% on the four-year anniversary of the grant date. The vesting for the performance-based

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restricted stock units is over a three-year time period and is tied to the achievement of net revenue growth targets, as adjusted for influenza revenue volatility.

Equity Ownership Guidelines

To further align the interests of our directors and executives with those of our other stockholders, the Board of Directors has adopted share ownership guidelines. Under these guidelines, each non-employee director, the Chief Executive Officer, each Senior Vice President and each Vice President is required to retain and hold 50% of the shares acquired under any equity incentive award granted on or after March 19, 2004 (after subtracting shares sold to pay for option exercise costs, and relevant federal and state taxes which are assumed to be at the highest marginal tax rates). The foregoing share retention rule applies unless such director or officer beneficially owns shares with a value at or in excess of the following share ownership guidelines:

• Chief Executive Officer — 3 times then-current annual base salary,

• Senior Vice Presidents — 2 times then-current annual base salary,

• Vice Presidents — 1 times then-current annual base salary, and

• Non-employee directors — 3 times then-current annual cash retainer.

The value of an individual's shares for purposes of the share ownership guidelines is deemed to be the greater of the then-current fair market value of the stock, or the individual's cost basis in the stock. Shares counted in calculating the share ownership guidelines include shares beneficially owned outright, whether from open market purchases, purchases through the Company's 1983 Employee Stock Purchase Plan, shares retained after option exercises, shares of restricted stock that have no further restrictions remaining, and vested restricted stock units. In addition, in the case of vested, unexercised, in-the-money stock options, the in-the-money value of the stock options will be included in the share ownership guidelines calculation. Individuals have five years from their election, hire or promotion to satisfy the share ownership guidelines. All officers and directors meet these ownership guidelines or are in compliance with the guidelines and are retaining equity awards until compliance is reached.

Restrictions on Trading Securities (Including Hedging and Pledging)

We have an insider trading policy that prohibits employees and directors from engaging in speculative transactions involving our securities. Accordingly, hedging transactions involving our securities, including, but not limited to purchase of stock on margin, short sales, buying or selling puts or calls, and any other similar transactions or arrangements that have an economic consequence of establishing downside price protection are prohibited. Our insider trading policy also prohibits officers and directors from pledging stock, subject to special Board approval. No special approvals have been provided to allow any current officer or director to pledge stock.

Pay Recoupment Policy

The 2016 and 2017 Cash Incentive Plans contain provisions providing for pay recoupment in compliance with applicable legislation and regulation. The Board expects to enact a pay recoupment policy when the regulations mandated by the Dodd-Frank Act are implemented by the SEC. At a minimum, the policy will comply with the Dodd-Frank Act and related regulations.

Employment and Severance Agreements

We have entered into change of control agreements with each of our executive officers in order to foster their objectivity in making decisions with respect to any pending or threatened change in control transaction and to alleviate certain risks and uncertainties with regard to our executive officers' financial and professional security that might be created by a pending or threatened change in control transaction. The details of the change in control agreements and any employment or severance arrangements entered into with our executive officers are provided under the caption "Employment, Change in Control and Severance Arrangements" below in this Proxy Statement.

Tax Deductibility of Compensation

The Compensation Committee attempts to structure the compensation program to achieve deductibility under Section 162 (m) of the Code, unless the benefit of such deductibility is outweighed by the need for flexibility or the attainment of other corporate objectives. The Compensation Committee will continue to monitor issues concerning the deductibility of executive compensation and will take appropriate action if and when it is warranted. Since corporate objectives may not always be consistent with the requirements for full deductibility, the Compensation Committee is prepared, if it deems appropriate, to enter into compensation arrangements under which payments may not be

deductible under Section 162 (m) of the Code. Thus, deductibility will not be the sole factor used by the Compensation Committee in ascertaining appropriate levels or modes of compensation.

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Stock Option Grant Practices

As described above, the Company uses stock options as part of its overall compensation program. The stock option awards provide individuals with the right to purchase a specified number of shares of the Company's stock at a specific price. The Company sets the exercise price of the stock options that it awards at or above the closing price of the Company's stock on the grant date. Accordingly, the option grant will have value to the individual only if he or she continues in our service during the vesting period and then generally only if and to the extent that the market price of the underlying shares of common stock appreciates over the option term.

Awards of equity-based compensation to our executive officers, such as options, are determined and approved by the Board of Directors or the Compensation Committee. Equity grants are typically made at the time of hire for executives and then annually as part of the overall executive compensation review. The specific terms of the awards are determined based on the position of the individual in the organization and as part of the applicable annual equity incentive program.

New hire grants are approved by the Board of Directors or the Compensation Committee when the executive's hire is approved, with the actual option grant issued on the first date of employment and the exercise price of such options being set at the closing price of the Company's common stock on that date. Annual performance grants made as part of the overall executive compensation program are generally made as of the date of Board or Compensation Committee approval. This typically occurs prior to the end of the first quarter, with grants effective on the date of Board or Compensation Committee approval and at a price at or above the closing price on the grant date.

Options granted to Company executives typically vest over a four-year period. Generally, vesting ends when employment ends and the executive has 90 days following the end of employment within which to exercise any vested stock options.

Perquisites and Other Benefits

The Compensation Committee believes that the Named Executive Officers should participate in the same benefit programs as the Company's other employees and that special executive perquisites should be minimal. Consistent with this philosophy, the Named Executive Officers participate in the Company's employee benefit plans on the same terms as other employees. These plans include medical and dental insurance, disability coverage, life insurance, the employee stock purchase plan and the 401(k) Plan.

Compensation of the Chief Executive Officer

Our Chief Executive Officer participates in the same executive compensation program provided to our other executive officers and senior management as described above. The Compensation Committee's approach to setting compensation for the Chief Executive Officer is to be competitive with comparable companies and to have a significant portion of total compensation depend upon the achievement of performance goals for the Company.

In February 2016, the Compensation Committee approved an increase in the annual base salary for Mr. Bryant from \$542,540 to \$558,846. As described above, the Compensation Committee approved payout, effective February 17, 2017, under the 2016 Cash Incentive Plan for combined achievement of revenue performance and EPS goals and corporate impact goals at 56% of target, and accordingly, Mr. Bryant earned a payout of \$391,192. As discussed above under the caption "Executive Compensation--Compensation Discussion and Analysis--Longer-Term Equity Incentive Awards," in 2016, Mr. Bryant was also awarded 12,815 time-based restricted stock units and 93,847 non-qualified stock options.

Compensation of the Other Named Executive Officers

In February 2016, the Compensation Committee approved an increase in the base salaries of Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell. Base salaries were approved as follows:

Executive Officer	Prior	2016
	Base Salary	Base Salary
Randall J. Steward	\$ 345,050	\$ 365,058
Chief Financial Officer		
Robert J. Bujarski	\$ 345,050	\$ 362,759
SVP, Business Development and General Counsel		
Werner Kroll, Ph.D.	\$ 339,900	\$ 350,127

SVP, Research and Development

Edward K. Russell

\$ 360,000 \$ 362,708

SVP, Global Commercial Operations

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As described above, the Compensation Committee approved payout, effective February 17, 2017, under the 2016 Cash Incentive Plan for combined achievement of revenue performance and EPS goals and corporate impact goals at 56% of target, and, accordingly, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell earned a payout of \$153,324, \$152,359, \$147,053 and \$152,337, respectively.

As discussed above under the caption “Executive Compensation--Compensation Discussion and Analysis--Longer-Term Equity Incentive Awards,” in 2016, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell were awarded shares of time-based restricted stock units and non-qualified stock options.

Summary Compensation Table

The following table sets forth information relating to fiscal years 2016, 2015 and 2014 compensation of our Chief Executive Officer, Chief Financial Officer and three other most highly paid persons serving as executive officers as of December 31, 2016.

Name and Principal Position	Year	Salary (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non- Equity Incentive Plan Compensation(\$)(4)	All Other Compensation(\$)(5)	Total
Douglas C. Bryant	2016	558,846	256,010	549,005	391,192	10,014	1,765,067
President and CEO	2015	542,540	379,026	899,993	316,844	9,714	2,148,117
	2014	524,378	225,766	1,052,998	244,406	9,714	2,057,262
	Randall J. Steward	2016	365,058	82,221	228,753	153,324	12,702
Chief Financial Officer	2015	345,050	124,986	374,998	132,293	12,402	989,729
	2014	331,923	66,643	431,994	97,150	12,378	940,088
	Robert J. Bujarski	2016	362,759	96,851	205,873	152,359	9,030
SVP, Business Development and General Counsel	2015	345,050	128,045	337,491	132,293	8,730	951,609
	2014	334,299	75,729	323,990	97,150	8,730	839,898
	Werner Kroll, Ph.D.	2016	350,127	96,036	205,873	147,053	11,046
SVP, Research and Development	2015	339,900	112,485	337,491	130,318	10,746	930,940
	2014	195,462	649,968	250,000	57,158	241,197	1,393,785
	Edward K. Russell	2016	362,708	81,601	205,873	152,337	9,030

SVP, Global Commercial Operations

(1) The amounts shown reflect base salary compensation for the executive officers as increased in February 2016.

This column represents the grant date fair value of service-based restricted stock awards granted during fiscal years 2016, 2015 and 2014 as well as (i) for 2014, the Premium RSUs associated with the 2014 Employee Deferred Bonus Compensation Program; (ii) for 2015, the Premium RSUs associated with the 2015 Employee Deferred Bonus Compensation Program; and (iii) for 2016, the Premium RSUs associated with the 2016 Employee Deferred Bonus Compensation Program as described in Note (1) in the Nonqualified Deferred Compensation table.

(2) Restricted stock awards are valued based on the closing share price on the date of grant. For additional information with respect to the 2016 grants, refer to Note 5 of our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC. See the “Grants of Plan-Based Awards in Fiscal Year 2016” table for information on stock awards granted in 2016 and the 2016 Employee Deferred Bonus Compensation Program.

This column represents the grant date fair value of stock options granted during fiscal years 2016, 2015 and 2014. The grant date fair value of option awards is determined using the Black-Scholes option pricing model. For

(3) additional information on the valuation assumptions with respect to the 2016 grants, refer to Note 5 of our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016. See the “Grants of Plan-Based Awards in Fiscal Year 2016” Table for information on options granted in 2016.

(4)

This column represents the approved awards to each executive officer under the 2016 Cash Incentive Plan, the 2015 ICP+ Plan, 2015 Cash Incentive Plan and the 2014 Cash Incentive Plan. Each executive officer could also elect to participate in the 2016 Employee Deferred Bonus Compensation Program, 2015 Employee Deferred Bonus Compensation Program and the 2014 Employee Deferred Bonus Compensation Program with respect to any payments received under the 2016 Cash Incentive Plan, 2015 Cash Incentive Plan and the 2014 Cash Incentive Plan, respectively. The cash component of the bonus under the 2016 Cash Incentive Plan was paid in early 2017. The cash component of

the bonus under the 2015 Cash Incentive Plan and the 2015 ICP+ Plan were paid in early 2016. The cash component of the bonus under the 2014 Cash Incentive Plan was paid in early 2015. The amounts shown are inclusive of the cash component and deferred Covered Bonus component of the electing officers' award, but do not include the Premium RSUs component which is included as a component of the amounts in the "Stock Awards" column. See the "Grants of Plan-Based Awards in Fiscal Year 2016" Table for information on the 2016 Employee Deferred Bonus Compensation Program.

During the year ended December 31, 2016, (a) we made contributions under our 401(k) Plan for Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell and (b) we funded a group term life insurance plan providing (5) life insurance in an amount equal to two times the executive officer's annual salary, a benefit that is provided to all employees. Amounts related to contributions under our 401(k) Plan, life insurance and other compensation for Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell were as follows:

Components of All Other Compensation

	401(k) Contributions (\$)	Group Term Life Insurance Premiums Compensation (\$)
Douglas C. Bryant	7,950	2,064
Randall J. Steward	7,950	4,752
Robert J. Bujarski	7,950	1,080
Werner Kroll, Ph.D.	7,950	3,096
Edward K. Russell	7,950	1,080

Grants of Plan-Based Awards in Fiscal Year 2016

The following table sets forth all plan-based awards granted to our Named Executive Officers during fiscal year 2016.

Name and Principal Position	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock (#)(2)	All Other Option Awards: Number of Securities Underlying Options: (#)(3)	Exercise or Base Price of Option Awards (\$/sh)(4)	Grant Date Fair Value of Stock and Option Awards (\$)(5)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Douglas C. Bryant	2/10/2016	—	—	—	12,815	93,847	15.40	746,356
	2/10/2016(1)	244,495	698,558	838,269	—	—	—	—
	12/31/2016	—	—	—	12,171	—	—	254,252
Randall J. Steward	2/10/2016	—	—	—	5,339	39,103	15.40	310,974
	2/10/2016	95,828	273,794	328,552	—	—	—	—
Robert J. Bujarski	2/10/2016	—	—	—	4,805	35,192	15.40	279,870
	2/10/2016(1)	95,224	272,069	326,483	—	—	—	—
	12/31/2016	—	—	—	4,740	—	—	99,019
Werner Kroll, Ph.D.	2/10/2016	—	—	—	4,805	35,192	15.40	279,870
	2/10/2016(1)	91,908	262,595	315,114	—	—	—	—
	12/31/2016	—	—	—	4,574	—	—	95,551
Edward K. Russell	2/10/2016	—	—	—	4,805	35,192	15.40	279,870
	2/10/2016(1)	95,211	272,031	326,437	—	—	—	—
	12/31/2016	—	—	—	4,010	—	—	83,769

This row shows the potential value of the payout under the “Estimated Future Payouts” column for each Named Executive Officer under the 2016 Cash Incentive Plan program if the threshold, target and maximum goals were satisfied for all performance measures. The business measurements, performance goals and salary and bonus

(1) multiples for determining the payout are described in the “Compensation Discussion and Analysis” section. The performance measurements were achieved in fiscal year 2016 in the aggregate at the 56% level and payouts were made as described under the heading “—Annual Cash Incentive Awards” in the “Compensation Discussion and Analysis” section and in Note (4) to the “Summary Compensation Table.”

This column shows the number of time-based restricted stock units granted in 2016 to the Named Executive Officers. The time-based restricted stock units for Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell were granted on February 10, 2016 and vest over four years, with one half of the award vesting on the two-year anniversary of the grant date and the remaining vesting annually thereafter through the remaining four-year vesting period. This column also includes the number of restricted stock units granted in 2016 under the 2016 Employee Deferred Bonus Compensation Program. For the restricted stock units under the 2016 Employee

(2) Deferred Bonus Compensation Program the number is equal to (i) the amount of his bonus deferred under the Program divided by the market closing price for the Company’s common stock on February 17, 2017, multiplied by (ii) either 1.1 or 1.3, as a premium. For Mr. Bryant, Mr. Bujarski, Dr. Kroll and Mr. Russell, \$195,593, \$76,165, \$73,512 and \$76,165 (included in the Grant Date Fair Value column), respectively, represents compensation deferred and is included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

This column shows the number of stock options granted in 2016 to the Named Executive Officers. These options

(3) vest and become exercisable ratably over four years, with one half of the award vesting on the two-year anniversary of the grant date and the remaining vesting annually thereafter through the remaining four-year vesting period.

(4) This column shows the exercise price for the stock options granted, which was the closing price of our common stock on the date of grant.

This column shows the full grant date fair value under ASC Topic 718 of time-based restricted stock units, restricted stock units granted under the 2016 Employee Deferred Bonus Compensation Program and stock options granted to the Named Executive Officers in 2016. For the time-based restricted stock units, fair value is calculated using the closing price of our common stock on the grant date. The grant date fair value is the amount that the Company would expense in its consolidated financial statements over the award's vesting schedule, unless the named executive leaves the Company. For the restricted stock units under the 2016 Employee Deferred Bonus Compensation Program the fair value is equal to (i) the amount of his Covered Bonus deferred under the program divided by the market closing price for the Company's common stock on February 17, 2017, multiplied by (ii) either 1.1 or 1.3, as a premium. For stock options, fair value is calculated using the Black-Scholes value on the grant date and is the amount that the Company will

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expense in its consolidated financial statements over the award's vesting schedule, unless the named executive leaves the Company. For additional information on the valuation assumptions, refer to Note 5 of our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2016.

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Outstanding Equity Awards at 2016 Fiscal Year-End

The following table provides information on the holdings of stock options, restricted stock awards and restricted stock units by the Named Executive Officers as of December 31, 2016. This table includes unexercised and unvested stock options and unvested restricted stock awards or restricted stock units. Each equity grant is shown separately for each Named Executive Officer. The vesting schedule for each grant is shown following this table, based on the option or stock award grant date. The market value of the stock awards is based on the closing market price of our common stock as of December 31, 2016, which was \$21.42. For additional information about the option awards and stock awards, see the description of “Longer-Term Equity Incentive Awards” in the “Executive Compensation” section.

Name	Option Grant Date	Option Awards(1)		Option Exercise Price(\$)	Option Expiration Date	Stock Awards		Market Value of Shares or Units of Stock That Have Not Vested (\$)
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options — Unexercisable (#)			Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	
Douglas C. Bryant	2/2/2009	700,000	—	12.36	2/2/2019			
	4/10/2009	61,212	—	8.50	4/10/2019			
	1/18/2010	55,458	—	15.28	1/18/2020			
	3/2/2011	85,918	—	12.63	3/2/2021			
	3/2/2012	120,393	—	15.19	3/2/2022			
	2/25/2013	72,163	24,054	22.21	2/25/2023	2/25/2013	(2)1,097	23,498
	2/24/2014	46,511	46,510	27.57	2/24/2024	2/24/2014	(2)2,122	45,453
	2/5/2015	—	93,847	23.41	2/5/2025	2/5/2015	(2)12,815	274,497
						12/31/2015	(3)5,206	111,513
2/10/2016	—	93,847	15.40	2/10/2026	2/10/2016	(2)12,815	274,497	
					12/31/2016	(4)2,808	60,147	
Randall J. Steward	10/24/2011	60,000	—	16.60	10/24/2021			
	3/2/2012	31,125	—	15.19	3/2/2022			
	2/25/2013	29,605	9,868	22.21	2/25/2023	2/25/2013	(2)450	9,639
	2/24/2014	19,081	19,081	27.57	2/24/2024	2/24/2014	(2)871	18,657
	2/5/2015	—	39,103	23.41	2/5/2025	2/5/2015	(2)5,339	114,361
	2/10/2016	—	39,103	15.40	2/10/2026	2/10/2016	(2)5,339	114,361
Robert J. Bujarski	1/18/2010	6,225	—	15.28	1/18/2020			
	3/2/2011	30,000	—	12.63	3/2/2021			
	3/2/2012	42,038	—	15.19	3/2/2022			
	2/25/2013	22,204	7,401	22.21	2/25/2023	2/25/2013	(2)338	7,240
	2/24/2014	14,310	14,311	27.57	2/24/2024	2/24/2014	(2)653	13,987
	2/5/2015	—	35,192	23.41	2/5/2025	2/5/2015	(2)4,805	102,923
						12/31/2015	(3)1,025	21,956
	2/10/2016	—	35,192	15.40	2/10/2026	2/10/2016	(2)4,805	102,923
					12/31/2016	(4)1,094	23,433	
Werner Kroll, Ph.D.	5/27/2014	13,242	13,241	22.85	5/27/2024	5/27/2014	(5)10,940	234,335
						5/27/2014	(5)17,505	374,957
	2/5/2015	—	35,192	23.41	2/5/2025	2/5/2015	(2)4,805	102,923
	2/10/2016	—	35,192	15.40	2/10/2026	2/10/2016	(2)4,805	102,923

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						12/31/2016(4)1,055	22,598
Edward K. Russell	10/12/2015	8,803	26,408	18.32	2/25/2023	10/12/2015(6)13,646	292,297
	2/10/2016	—	35,192	15.40	2/10/2026	2/10/2016 (2)4,805	102,923
						12/31/2016(4)364	7,797

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Stock options are service-based and vest over four years. For stock options that were not exercisable at (1) December 31, 2016 and are presented in the table above, the first 50% vest on the second anniversary of the grant date and the remaining options vest 25% annually thereafter through the remaining four-year vesting period.

(2) Represents restricted stock granted to the Named Executive Officers. The first 50% of the award vests on the second anniversary of the grant date and the remaining award vests 25% annually thereafter through the remaining four-year vesting period.

(3) Represents the Premium RSUs component related to the 2015 Employee Deferred Bonus Compensation Program as detailed in the Nonqualified Deferred Compensation table, which vest in February 2017.

(4) Represents the Premium RSUs component related to the 2016 Employee Deferred Bonus Compensation Program as detailed in the Nonqualified Deferred Compensation table, which vest in February 2018.

(5) Represents restricted stock units granted to Dr. Kroll upon his appointment as the Company's Senior Vice President, Research and Development. The first award of 10,940 shares vests on the fourth anniversary of the grant date and the second award of 17,505 shares vests annually over four years, beginning on May 27, 2019.

(6) Represents restricted stock units granted to Mr. Russell upon his appointment as the Company's Senior Vice President, Global Commercial Operations. The stock award vests on the fourth anniversary of the grant date.

Option Exercises and Stock Vested in Fiscal Year 2016

The following table sets forth stock options that were exercised by, and restricted stock that vested for, the Named Executive Officers during fiscal year 2016.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)(4)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(5)
Douglas C. Bryant	2,832	38,232	1,097 (1)	17,080
	17,110	224,267	2,121 (2)	34,403
	16,767	213,256	1,571 (3)	24,005
	35,291	479,161		
	24,000	348,513		
	24,000	344,121		
	24,000	343,520		
Randall J. Steward	—	—	450 (1)	7,007
			870 (2)	14,111
Robert J. Bujarski	204	1,248	337 (1)	5,247
	1,685	9,016	652 (2)	10,575
	20,168	104,402	624 (3)	9,535
	39,288	237,753		
	2,712	20,937		
Werner Kroll, Ph.D.	—	—	—	—
Edward K. Russell	—	—	—	—

During 2016, restrictions lapsed with respect to 1,097, 450 and 337 shares of restricted stock held by Mr. Bryant, (1) Mr. Steward and Mr. Bujarski, respectively. The market price for our common stock on the date of vesting was \$15.57 per share.

During 2016, restrictions lapsed with respect to 2,121, 870 and 652 shares of restricted stock held by Mr. Bryant, (2) Mr. Steward and Mr. Bujarski, respectively. The market price for our common stock on the date of vesting was \$16.22 per share.

- (3) During 2016, restrictions lapsed with respect to 1,571 and 624 shares of restricted stock held by Mr. Bryant and Mr. Bujarski, respectively. The market price for our common stock on the date of vesting was \$15.28 per share.
- (4) The value realized on exercise equals the intrinsic value of the exercise which is the gain realized in the difference from the market price of the shares sold and the exercise price of the shares purchased.
- (5) The value realized on vesting equals the closing price of the Company's common stock on the vesting date (the date the restrictions lapsed) multiplied by the number of shares with respect to which restrictions lapsed on such date.

Nonqualified Deferred Compensation

The following table sets forth compensation deferred by each of the Named Executive Officers during fiscal year 2016.

Name	Executive Contributions in Last FY (\$)(2)	Registrant Contributions in Last FY (\$)(3)	Aggregate Earnings in Last FY (\$)(4)	Aggregate Withdrawals/Distributions in last FY (\$)(5)	Aggregate Balance at Last FYE (\$)(1)
Douglas C. Bryant	195,593	58,659	10,589	(450,105)	1,165,287
Randall J. Steward	—	—	(8,851)	(31,154)	—
Robert J. Bujarski	76,165	22,854	7,203	(73,767)	343,261
Werner Kroll, Ph.D.	73,512	22,039	—	—	95,551
Edward K. Russell	76,165	7,604	—	—	83,769

Aggregate deferrals include deferrals from the 2012 Employee Deferred Bonus Compensation Program, 2013 Employee Deferred Bonus Compensation Program, 2014 Employee Deferred Bonus Compensation Program, 2015 Employee Deferred Bonus Compensation Program and 2016 Employee Deferred Bonus Compensation Program (Collectively, the "Deferred Bonus Programs"). The 2016 Employee Deferred Bonus Compensation Program allowed all employees that are director-level and above to participate in the Program. Under the 2016 Employee Deferred Bonus Compensation Program, each participant received a restricted stock unit award that (1) vested on February 17, 2017 in exchange for his election to defer a percentage of his 2016 bonus. In addition, he is eligible for a premium restricted stock unit award equal to either 10%, 20% or 30% of the deferred 2016 bonus, depending on the length of deferral elected by the employee, which vests on February 17, 2018. Pursuant to this program, Messrs. Bryant, Bujarski, Kroll and Russell received the following stock awards on February 17, 2017: 12,171 (including 2,808 shares relating to the premium component), 4,740 (including 1,094 shares relating to the premium component), 4,574 (including 1,055 shares relating to the premium component) and 4,010 (including 364 shares relating to the premium component), respectively.

Represents the amount of incentive compensation deferred under the 2016 Employee Deferred Bonus Compensation Program by each executive officer. The amount is included as a component of non-equity incentive plan compensation in the Summary Compensation Table for 2016.

(3) Represents the 20% or 30% premium above the deferred incentive compensation amount as described above; such amounts are included in the Stock Awards column of the Summary Compensation Table for 2016.

(4) Represents the change in value of the deferred incentive compensation for each executive officer relating to the Deferred Bonus Programs.

The amounts set forth in the Aggregate Withdrawals/Distributions column represent the market value of the stock (5) on the date of distribution to Messrs. Bryant, Steward and Bujarski in accordance with their specified distribution elections.

Employment, Change in Control and Severance Arrangements

In connection with the appointment of Mr. Bryant as our President and Chief Executive Officer, on January 16, 2009, Mr. Bryant entered into an employment agreement with us. Mr. Bryant's employment agreement sets forth the terms of his employment with us and provides for, among other matters: (i) a minimum base salary of \$450,000 per annum, subject to adjustment upward by the Board of Directors or its Compensation Committee; and (ii) an annual cash incentive bonus based upon attainment of performance goals set by the Board of Directors or its Compensation Committee with a target of at least 80% of base salary and a maximum opportunity of at least up to 120% of base salary.

Under his employment agreement, Mr. Bryant is an “at-will” employee, which means that either Mr. Bryant or we may terminate his employment at any time for any reason. However, and except in the context of a change in control, if Mr. Bryant’s employment with us is terminated without cause or he terminates his employment for “good reason” (as defined in the employment agreement) and thereafter delivers and does not revoke a general release, he is entitled to a severance payment equal to eighteen (18) months of his then-current base salary and payment of health insurance premiums for a period of eighteen (18) months following termination. Amounts payable to Mr. Bryant upon a change in control of the Company are generally governed by his change in control agreement, dated as of January 16, 2009, which is described below.

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Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell are each “at will” employees of the Company with compensation arrangements that include, among other matters: (i) a minimum base salary, currently of \$365,058, \$362,759, \$350,127 and \$362,708 per annum, respectively and (ii) eligibility for an annual bonus in accordance with the Company’s bonus plan. In addition, except in the context of a change of control, if we terminate Mr. Bujarski’s employment without cause, he would be entitled to a severance payment equal to six months of his annual salary. Each of Mr. Bryant, Mr. Steward, Mr. Bujarski, Dr. Kroll and Mr. Russell has entered into a change in control agreement with us, which provides for the payment of severance benefits in the event of termination of employment in connection with a change in control of the Company. The severance benefits are payable if their respective employment with us is terminated within 30 days prior to or three years following a change in control, unless terminated for cause or the termination is the result of a voluntary resignation (which does not include resignations stemming from a material adverse change in responsibilities, status, compensation, authority or location of work place) or their death or disability.

The severance benefits under the change in control agreements generally consist of a lump sum cash payment equal to two times the sum of (i) such executive’s highest annual salary rate within the three year period ending on the date of termination plus (ii) an amount equal to the annualized average of all bonuses paid to the executive during the two-year period immediately before the date of termination. In addition, the change in control agreements provide for: payment of \$25,000 to help defray the legal, tax and accounting fees and other costs associated with transitional matters; continued coverage for two years under our group medical insurance, group dental insurance, group-term life insurance and disability insurance programs unless and to the extent the executive obtains concurrent coverage through another program in which case our coverage will be terminated or reduced as applicable; and immediate vesting and exercisability of any and all unvested stock options and restricted stock of the executive (unless previously waived or otherwise expressly agreed to by the executive).

Potential Post-Employment Payments

As described above, our Named Executive Officers have employment, severance and/or change of control agreements with us. The table below illustrates the compensation that would be payable by the Company to each Named Executive Officer in the event of a change in control of the Company or a termination of the Named Executive Officer's employment with the Company for various described reasons, sometimes referred to in this section as a "triggering event." In accordance with applicable rules of the SEC, the following discussion assumes:

that the triggering event in question, the death, disability, change in control or termination occurred on December 31, 2016, which was the last full business day prior to the last day of our 2016 fiscal year end which fell on Sunday, January 1, 2017; and

the calculations provided below are based on the closing market price of our common stock as of December 31, 2016, which was \$21.42.

In addition, in connection with any actual termination of employment, the Board of Directors or the Compensation Committee may determine to enter into an agreement providing additional benefits or amounts, or altering the terms of benefits described below, as deemed appropriate by the Compensation Committee or the Board of Directors. The actual amounts that would be paid upon a Named Executive Officer's termination of employment can only be determined at the time of such executive's separation from the Company. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be higher or lower than reported below. Factors that could affect these amounts include our stock price at the time of termination and determinations by our Board of Directors.

Name and Principal Position	Potential Executive Benefits and Payments	Voluntary Termination Total (\$)	Retirement Total (\$)	Involuntary, Not for Cause or Voluntary, Good Reason Termination Total (\$)	Involuntary, for Cause Termination Total (\$)	Change in Control (Qualifying Termination) Total (\$)
Douglas C. Bryant	Base Salary(1)	—	—	838,269	—	1,117,692
	Short-term Incentive Bonus(2)	—	—	—	—	354,018
	Equity					
	Restricted Stock Awards					
	Unvested and accelerated(3)	—	—	—	—	789,605
	Stock Options					
	Unvested and accelerated(4)	—	—	—	—	564,959
	Healthcare, Life and Disability(5)	—	—	32,814	—	43,752
Accrued Vacation Pay(1)	57,541	57,541	57,541	57,541	57,541	
Other Payments(6)	—	—	—	—	25,000	
Randall J. Steward	Base Salary(1)	—	—	—	—	730,116
	Short-term Incentive Bonus(2)	—	—	—	—	142,809
	Equity					
	Restricted Stock Awards					
	Unvested and accelerated(3)	—	—	—	—	257,018
	Stock Options					
	Unvested and accelerated(4)	—	—	—	—	235,400
	Healthcare, Life and Disability(5)	—	—	—	—	43,656
Accrued Vacation Pay(1)	12,665	12,665	12,665	12,665	12,665	
Other Payments(6)	—	—	—	—	25,000	

Name and Principal Position	Potential Executive Benefits and Payments	Voluntary Termination Total (\$)	Retirement Total (\$)	Involuntary, Not for Cause or Voluntary, Good Reason Termination Total (\$)	Involuntary, for Cause Termination Total (\$)	Change in Control (Qualifying Termination) Total (\$)
Robert J. Bujarski	Base Salary(1)	—	—	181,380	—	725,518
	Short-term Incentive Bonus(2)	—	—	—	—	142,326
	Equity Restricted Stock Awards Unvested and accelerated(3)	—	—	—	—	272,462
	Stock Options Unvested and accelerated(4)	—	—	—	—	211,856
	Healthcare, Life and Disability(5)	—	—	—	—	45,528
	Accrued Vacation Pay(1)	54,064	54,064	54,064	54,064	54,064
	Other Payments(6)	—	—	—	—	25,000
Werner Kroll	Base Salary(1)	—	—	—	—	700,254
	Short-term Incentive Bonus(2)	—	—	—	—	138,686
	Equity Restricted Stock Awards Unvested and accelerated(3)	—	—	—	—	837,736
	Stock Options Unvested and accelerated(4)	—	—	—	—	211,856
	Healthcare, Life and Disability(5)	—	—	—	—	38,832
	Accrued Vacation Pay(1)	—	—	—	—	—
	Other Payments(6)	—	—	—	—	25,000
Edward K. Russell	Base Salary(1)	—	—	—	—	725,416
	Short-term Incentive Bonus(2)	—	—	—	—	152,337
	Equity Restricted Stock Awards Unvested and accelerated(3)	—	—	—	—	403,017
	Stock Options Unvested and accelerated(4)	—	—	—	—	293,720
	Healthcare, Life and Disability(5)	—	—	—	—	47,664
	Accrued Vacation Pay(1)	—	—	—	—	—
	Other Payments(6)	—	—	—	—	25,000

(1) Payable in one lump sum upon termination.

(2) This amount represents the annualized average of all bonuses paid to the executive for 2015 and 2016. The 2016 bonus was paid out in February 2017.

(3) This represents the value of unvested restricted stock awards, including stock awards associated with the premium stock awards earned pursuant to the Employee Deferred Bonus Compensation Programs as detailed in the Nonqualified Deferred Compensation table.

(4) This represents the intrinsic value of in-the-money unvested stock options (based on a market price of \$21.42 per share as of the last full business day prior to the end of our fiscal year 2016).

(5)

Per the change in control agreements, for two years, coverage is continued under our group medical and group dental insurance programs unless and to the extent the executive obtains concurrent coverage through another program in which case our coverage will be terminated or reduced as applicable. In addition, if Mr. Bryant's employment is terminated without cause or he terminates his employment for "good reason" (as defined in his employment agreement) and thereafter does not revoke a general release, he is entitled to receive payment of health insurance premiums for a period of eighteen months following termination.

- (6) Each executive officer's change in control agreement provides for payment of \$25,000 to help defray the legal, tax and accounting fees and other costs associated with transitional matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of our common stock beneficially owned as of March 22, 2017 by (i) those known to be the beneficial owners of more than five percent (5%) of our outstanding common stock, (ii) each of the current directors and nominees for director, (iii) each of the Company's Named Executive Officers (as included in the Summary Compensation Table herein) and (iv) all directors and executive officers as a group. On March 22, 2017, there were 33,141,675 shares of our common stock outstanding.

Name	Beneficial Ownership of Common Stock(1)(2)	
	Number of Shares	Percent of Class
Beneficial Owners		
Brown Capital Management, LLC(3) 1201 N. Culver Street Baltimore, Maryland 21202	5,739,017	17.3 %
T. Rowe Price Associates, Inc.(4) 100 E. Pratt Street Baltimore, Maryland 21202	2,657,116	8.0 %
Entities affiliated with Larry N. Feinberg(5) Oracle Associates LLC 200 Greenwich Avenue, 3rd Floor Greenwich, Connecticut 06820	2,517,554	7.6 %
Janus Capital Management LLC(6) 151 Detroit Street Denver, Colorado 80206	2,073,696	6.3 %
Vanguard Group(7) 100 Vanguard Blvd. Malvern, Pennsylvania 19355	2,038,557	6.2 %
BlackRock, Inc.(8) 55 E. 52nd Street New York, NY 10055	1,728,875	5.2 %
Directors and Nominees for Director		
Thomas D. Brown(9)	144,862	*
Douglas C. Bryant(10)	1,449,811	4.2 %
Kenneth F. Buechler(11)	134,392	*
Mary Lake Polan(12)	146,584	*
Jack W. Schuler(13)	5,362,281	16.2 %
Charles P. Slacik(14)	16,723	*
Kenneth J. Widder(15)	24,623	*
Named Executive Officers		
Randall J. Steward(16)	198,678	*
Robert J. Bujarski(17)	207,202	*
Werner Kroll(18)	38,075	*
Edward K. Russell(19)	8,803	*
All directors and executive officers as a group (12 persons)(20)	7,741,477	22.0 %

*Less than one percent

(1) Beneficial ownership is determined in accordance with the rules of the SEC. Unless otherwise noted, and subject to applicable community property laws, each executive officer and director has sole voting and dispositive power with respect to the shares indicated. The address for our directors and executive officers is c/o Quidel Corporation,

12544 High Bluff Drive, Suite 200, San Diego, CA 92130.

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Shares of common stock subject to options exercisable on or within 60 days of March 22, 2017 are deemed (2) outstanding for computing the number of shares and the percentage ownership of the person holding such options, but are not deemed outstanding for computing the percentage of any other person.

Based on information reported in Amendment No. 6 to Schedule 13G filed with the SEC dated February 9, 2017 by Brown Capital Management, LLC and The Brown Capital Management Small Company Fund, a registered (3) investment company, which is managed by Brown Capital Management, LLC, in which Brown Capital Management, LLC reported aggregate beneficial ownership of 5,739,017 shares of common stock with respect to which Brown Capital Management, LLC has sole voting power of 3,321,262 shares and sole dispositive power of 5,739,017 shares as of December 31, 2016.

Based on information reported in Amendment No. 14 to Schedule 13G filed with the SEC dated February 7, 2017 by T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc., which T. Rowe Price (4) Associates, Inc. reported beneficial ownership of 2,657,116 shares of common stock with respect to which T. Rowe Price Associates, Inc. has sole voting power of 683,516 shares and sole dispositive power of 2,657,116 shares as of December 31, 2016.

Based on information reported in Amendment No. 14 to Schedule 13G filed with the SEC dated February 3, 2017 by Larry N. Feinberg, Oracle Partners, L.P., Oracle Institutional Partners, LP, Oracle Ten Fund Master, LP, Oracle (5) Investment Management, Inc. Employee's Retirement Plan, the Feinberg Family Foundation, Oracle Associates, LLC and Oracle Investment Management, Inc., in which Mr. Feinberg reported aggregate beneficial ownership of 2,517,554 shares of common stock with respect to which he has shared voting and dispositive power of 2,517,554 shares as of December 31, 2016.

Based on information reported in Amendment No. 6 to Schedule 13G filed with the SEC dated February 13, 2017 by Janus Capital Management LLC ("Janus Capital"), an investment adviser as well as a parent holding company, and on behalf of INTECH Investment Management, a registered investment adviser in which Janus Capital has a (6) direct ownership stake of 97.11%; Perkins Investment Management LLC, a registered investment adviser, in which Janus Capital has a direct ownership stake of 100%. Janus Capital reported beneficial ownership of 2,073,896 shares of common stock with respect to which Janus Capital has sole voting and dispositive power of 2,073,896 shares as of December 31, 2016.

Based on information reported in Amendment No. 3 to Schedule 13G filed with the SEC dated February 10, 2017 by The Vanguard Group in which The Vanguard Group reported aggregate beneficial ownership of (7) 2,038,557 shares of common stock with respect to which the filer has sole voting power of 52,441 shares, shared voting power of 1,395 shares, sole dispositive power of 1,986,226 and shared dispositive power of 52,331 shares as of December 31, 2016.

Based on information reported in Schedule 13G filed with the SEC dated January 30, 2017 by BlackRock, Inc in which BlackRock, Inc. reported beneficial ownership of 1,728,875 shares of common stock with respect to which (8) BlackRock, Inc. has sole voting power of 1,666,316 shares and sole dispositive power of 1,728,875 shares as of December 31, 2016.

Includes 89,369 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 1,599 shares of common stock underlying an equal number of restricted stock units (9) issuable upon vesting on or within 60 days of March 22, 2017. Also includes 23,869 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

Includes 1,128,968 shares of common stock issuable upon exercise of options that are exercisable on or within (10) 60 days of March 22, 2017 and 45,377 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

Includes 98,039 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 2,437 shares of common stock underlying an equal number of restricted stock (11) units issuable upon vesting on or within 60 days of March 22, 2017. Also includes 18,605 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(12) Includes 98,700 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 1,727 shares of common stock underlying an equal number of restricted stock units issuable upon vesting on or within 60 days of March 22, 2017. Also includes 14,572 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares. Also includes 7,000 shares owned by an adult son who resides with Dr. Polan; Dr. Polan disclaims beneficial ownership of these shares.

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(13) Includes 1,201,235 shares that are held indirectly by the Schuler Family Foundation, 933,843 shares that are held indirectly by three family trusts of his adult children and 65,000 shares held indirectly by Mr. Schuler's spouse. Mr. Schuler disclaims beneficial ownership of the 1,201,235 shares held indirectly by the Schuler Family Foundation, the 933,843 shares that are held indirectly by three family trusts of his adult children and the 65,000 shares held by his spouse, except to the extent of his pecuniary interest in such shares, if any. Also includes 31,164 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 1,870 shares of common stock underlying an equal number of restricted stock units issuable upon vesting on or within 60 days of March 22, 2017. Also includes 24,958 shares of common stock underlying an equal number of fully vested restricted stock units for which Mr. Schuler has no voting or dispositive power over such shares.

(14) Includes 11,030 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017, and 1,662 shares of common stock underlying an equal number of restricted stock units issuable upon vesting on or within 60 days of March 22, 2017. Also includes 3,503 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(15) Includes 17,375 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017, and 1,472 shares of common stock underlying an equal number of restricted stock units issuable upon vesting on or within 60 days of March 22, 2017. Also includes 4,657 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(16) Includes 178,771 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017.

(17) Includes 146,929 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 12,942 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(18) Includes 30,838 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 3,519 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(19) Includes 8,803 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and 3,646 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

(20) All directors and executive officers as a group, including 1,847,390 shares of common stock issuable upon exercise of options that are exercisable on or within 60 days of March 22, 2017 and an aggregate of 10,767 shares of common stock underlying an equal number of restricted stock units issuable upon vesting on or within 60 days of March 22, 2017 and 155,648 shares of common stock underlying an equal number of fully vested restricted stock units for which the individual has no voting or dispositive power over such shares.

With the exception of information relating to stock options, restricted stock and restricted stock units we issued, all information with respect to beneficial ownership of shares of common stock referred to in this section is based on filings made by the respective beneficial owners with the SEC or information the beneficial owners provided to us.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under the securities laws of the U.S., our directors and executive officers and persons who own more than 10% of our common stock are required to report their initial beneficial ownership of our common stock and any subsequent changes in that ownership to the SEC. Specific due dates for these reports have been established, and we are required to disclose in this Proxy Statement any late filings during the year ended December 31, 2016. To our knowledge, all of the reports during 2016 were timely filed.

SECURITIES AVAILABLE FOR ISSUANCE UNDER OUR EQUITY COMPENSATION PLANS

The following table provides information with respect to our equity compensation plans as of December 31, 2016, which plans were as follows: the 1983 Employee Stock Purchase Plan; the 1990 Employee Stock Option Plan; the 1996 Non-Employee Director Plan; the 1998 Stock Incentive Plan, the 2001 Equity Incentive Plan, the 2010 Equity Incentive Plan and the 2016 Equity Incentive Plan. The 1990 Employee Stock Option Plan, the 1996 Non-Employee Director Plan, the 1998 Stock Incentive Plan, 2001 Equity Incentive Plan and the 2010 Equity Incentive Plan have been terminated, expired or superseded by subsequent plans, and thus no additional awards will be made under such plans.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	4,442,408	(1)(3) \$ 17.49	(3) 2,858,146 (2)(3)
Equity compensation plans not approved by security holders	—	—	—
Total	4,442,408	(1)(3) \$ 17.49	(3) 2,858,146 (2)(3)

(1) Includes 501,076 restricted stock units granted under our 2016 Plan for which there is no exercise price reflected in column b.

(2) Includes (i) 285,825 shares of common stock available for issuance under our 1983 Employee Stock Purchase Plan and (ii) 2,572,321 shares of common stock available for issuance, as of December 31, 2016, under our 2016 Plan, pursuant to which incentive stock awards may be granted, including restricted stock.

(3) As of March 22, 2017, a total of 2,531,640 shares were authorized for issuance under the 2016 Plan, and 1,946,154 shares remained available for future issuance.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected the firm of Ernst & Young LLP, independent registered public accounting firm, to audit our consolidated financial statements for the fiscal year ending December 31, 2017 and to perform other appropriate accounting and tax services. We are asking our stockholders to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2017. Although ratification is not required by our bylaws or otherwise, the Board of Directors is submitting the selection of Ernst & Young LLP to our stockholders as a matter of good corporate practice. If the stockholders do not ratify the appointment of Ernst & Young LLP, the selection of the Company's independent registered public accounting firm will be reconsidered by the Audit Committee. Even if the selection is ratified, 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 determines that such a change would be in the best interests of the Company and its stockholders.

One or more representatives of Ernst & Young LLP are expected to be at the Annual Meeting. The representatives of Ernst & Young LLP will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

Vote Required and Board Recommendation

The affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2017.

Our Board of Directors Unanimously Recommends that the Stockholders Vote for the Ratification of the Selection of Ernst & Young LLP as Our Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2017.

PROPOSAL 3

ADVISORY APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION

We are providing stockholders with an advisory (non-binding) vote on the compensation of our Named Executive Officers (commonly referred to as "say on pay"). Accordingly, you may vote on the following resolution at the Annual Meeting:

"Resolved, that the compensation paid to the Company's Named Executive Officers, as disclosed in the "Compensation Discussion and Analysis," the accompanying compensation tables, and the related narrative discussion in this Proxy Statement, is hereby approved."

The advisory approval of the Company's executive compensation is a non-binding vote on the compensation paid to the Company's Named Executive Officers, as described pursuant to Item 402 of Regulation S-K, including the "Compensation Discussion and Analysis" section, compensation tables, and the narrative discussions, set forth in this Proxy Statement.

As described in detail under "Executive Compensation--Compensation Discussion and Analysis," our compensation programs are designed to attract, motivate and retain highly qualified executive officers who are able to achieve corporate objectives and create stockholder value. The Compensation Committee believes the Company's executive compensation programs reflect a strong pay-for-performance philosophy and are well aligned with our stockholders' long-term interests. Stockholders are encouraged to read the "Compensation Discussion and Analysis" section, the accompanying compensation tables, and the related narrative discussion.

Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to our Named Executive Officers and will not be binding on the Board of Directors or the Compensation Committee. However, the Compensation Committee will consider the outcome of the vote when making future executive compensation decisions.

Vote Required and Board Recommendation

The affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to approve the advisory vote on executive compensation.

Our Board of Directors Unanimously Recommends that the Stockholders Vote "For" the Approval, on an advisory basis, of the Compensation of our Named Executive Officers.

PROPOSAL 4

ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

In addition to providing stockholders with the opportunity to cast an advisory vote on executive compensation, with this proxy statement, we are providing stockholders with an advisory vote on whether the advisory vote on executive compensation should be held every one, two or three years.

The Board believes that a frequency of “every one year” for the advisory vote on executive compensation is the optimal interval for conducting and responding to a “say on pay” vote. The Dodd-Frank Act requires the Company to hold the advisory vote on the frequency of the say-on-pay vote at least once every six years.

The proxy card provides stockholders with the opportunity to choose among four options (holding the vote every one, two or three years, or abstaining) and, therefore, stockholders will not be voting to approve or disapprove the Board’s recommendation.

Because the vote on this proposal is advisory in nature, it will not be binding on the Board of Directors. However, the Board of Directors will consider the outcome of the vote along with other factors when making its decision about the frequency of future stockholder advisory votes on the compensation of our Named Executive Officers.

The frequency option (i.e., every year, every two years or every three years) that receives the plurality of votes cast on this proposal will be deemed the preferred option of stockholders.

Our Board of Directors Unanimously Recommends that the Stockholders Vote for the option of "Every One Year" for Future Advisory Votes on Executive Compensation.

MEETING AND OTHER INFORMATION

Stockholder Proposals

Our amended and restated bylaws require that a stockholder give timely written notice to our Corporate Secretary of any proposal such stockholder proposes to bring before a stockholders meeting or any proposal for the nomination of a director. Such written notice must be given, either by personal delivery or U.S. mail, postage prepaid, to the Corporate Secretary, Quidel Corporation, 12544 High Bluff Drive, Suite 200, San Diego, CA 92130. In order to properly bring a proposal before a stockholders meeting, a stockholder must be a stockholder of record on the date of the giving of the notice and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and be entitled to vote at such meeting. To be timely, a stockholder's notice must be delivered to, or mailed and received by the Corporate Secretary, at the address provided above not less than 90 days or more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the annual meeting is convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be received by the Corporate Secretary as provided above no more than one hundred twenty (120) days prior to such annual meeting nor less than the later of (i) ninety (90) days prior to such annual meeting and (ii) ten (10) days after the earlier of (A) the day on which notice of the date of the meeting was mailed or (B) the day on which public disclosure of the date of the meeting was made. In no event shall an adjournment of the annual meeting, or a postponement of an annual meeting for which notice has been given, or the public disclosure thereof, commence a new time period for the giving of a stockholder's notice as described above.

Any notice to the Corporate Secretary must be in proper written form and set forth the matters and information listed in our bylaws, including, if applicable, the matters relating to a director nomination.

Any eligible stockholder who desires to have a proposal considered for inclusion in our proxy solicitation materials for our 2018 annual meeting of stockholders must be received in writing by our Corporate Secretary at 12544 High Bluff Drive, Suite 200, San Diego, CA 92130 no later than December 14, 2017. To be included in our proxy solicitation materials, proposals must be submitted in proper written form in accordance with our bylaws, as described above, and must comply with SEC regulations promulgated under Rule 14a-8 of the Exchange Act of 1934, as amended.

Nothing in this section shall be deemed to require us to include in our proxy solicitation materials relating to any annual meeting any stockholder proposal or nomination that does not meet all of the requirements for inclusion established by the SEC.

Annual Report

Our 2016 Annual Report to Stockholders has been mailed to stockholders concurrently with this Proxy Statement. The Company incorporates by reference herein the information set forth in our Annual Report on Form 10-K under Item 1 relating to the executive officers of the Company.

A copy of our Annual Report on Form 10-K and each of our other periodic and current reports, including any amendments thereto, as filed with the SEC, are available, free of charge, on our website, www.quidel.com, as soon as reasonably practicable after such materials are filed or furnished to the SEC. In addition, a copy of our Annual Report on Form 10-K, without exhibits, and/or exhibits to the Form 10-K, will be furnished, free of charge upon written request to the Investor Relations department at Quidel Corporation, 12544 High Bluff Drive, Suite 200, San Diego, CA 92130. In addition, you may obtain such documents by calling (858) 646-8023 or e-mail our Investor Relations department at ir@quidel.com.

Internet Availability of Proxy Materials

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 16, 2017

Our annual report on Form 10-K for the year ended December 31, 2016 and proxy materials can be accessed electronically over the internet at www.proxyvote.com. These filings may also be reviewed through the SEC website at www.sec.gov.

Forward-Looking Statements

This Proxy Statement contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and involve substantial risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include, but are not limited to, statements made in the CD&A section of this Proxy Statement regarding the anticipated effects of our compensation structure and programs. Quidel Corporation undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect Quidel Corporation’s business, particularly those mentioned under the heading “Risk Factors” in Quidel Corporation’s Annual Report on Form 10-K which accompanies this Proxy Statement, and in the periodic reports that Quidel Corporation files with the SEC on Form 10-Q.

Other Business

We know of no other matters to be submitted at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy card to vote the shares they represent as the Board of Directors may recommend.

San Diego, California

April 13, 2017

Stockholders are urged to specify their choices on, date, sign and return the enclosed proxy card in the accompanying prepaid, return envelope or vote via the Internet or by telephone as described on the enveloped proxy card. Prompt response is helpful and your cooperation greatly appreciated.

