

ALERE INC.
Form PRE 14A
May 16, 2012
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Exchange Act of 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, For Use of the Commission
- Definitive Proxy Statement Only (as permitted by Rule 14a-6(e)(2))
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Alere Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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, 2012

Dear Fellow Stockholder:

You are cordially invited to attend Alere Inc.'s Annual Meeting of Stockholders on Wednesday, July 11, 2012 at 12:30 p.m., local time, at our corporate headquarters located at 51 Sawyer Road, Suite 200, Waltham, MA 02453.

In addition to the matters described in the attached proxy statement, after the meeting we will report on our activities for our fiscal year ended December 31, 2011. You will have an opportunity to ask questions and to meet your directors and executives.

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

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

We look forward to seeing you at the meeting. Your vote is important to us.

Cordially,

Ron Zwanziger

Chairman, Chief Executive Officer and President

This proxy statement and the form of proxy are first being sent or given to stockholders on or about June 1, 2012 pursuant to rules adopted by the Securities and Exchange Commission.

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ALERE INC.

51 Sawyer Road, Suite 200

Waltham, Massachusetts 02453

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date: Wednesday, July 11, 2012

Time: 12:30 p.m., local time

Place: Alere Inc.

51 Sawyer Road, Suite 200

Waltham, MA 02453

Purpose:

1. Vote upon the election of Carol R. Goldberg, James Roosevelt, Jr. and Ron Zwanziger as Class II Directors to serve until the 2015 annual meeting of stockholders;
2. Approve an amendment to Alere Inc.'s Amended and Restated Certificate of Incorporation, as amended, to declassify the Board of Directors;
3. Approve an increase to the number of shares of common stock available for issuance under the Alere Inc. 2010 Stock Option and Incentive Plan by 2,000,000, from 3,153,663 to 5,153,663;
4. Approve option grants to certain executives; **provided that, even if this proposal is approved by our stockholders, we do not intend to implement this proposal unless Proposal 3 is also approved;**
5. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2012;

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6. Hold an advisory vote on executive compensation; and

7. Conduct such other business as may properly come before the annual meeting and at any adjournment or postponement thereof. Only stockholders of record on May 17, 2012 may vote at the annual meeting and at any adjournment or postponement thereof. We will begin mailing the Notice of Internet Availability of Proxy Materials on or before June 1, 2012. Our proxy materials, including this proxy statement and our 2011 Annual Report, which includes financial statements for the year ended December 31, 2011, will also be available on or before June 1, 2012 on the website referred to in the Notice of Internet Availability of Proxy Materials.

Our Board of Directors unanimously recommends you vote FOR each of the proposals presented to you in this proxy statement.

Your vote is important. Please cast your vote by mail, telephone or over the Internet by following the instructions included in the Notice of Internet Availability of Proxy Materials and on your proxy card.

Ellen Chiniara, Esq.

Secretary

, 2012

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, 2012

ALERE INC.

51 Sawyer Road, Suite 200

Waltham, Massachusetts 02453

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Alere Inc. for use at our 2012 Annual Meeting of Stockholders to be held on Wednesday, July 11, 2012, at 12:30 p.m., local time, at our corporate headquarters located at 51 Sawyer Road, Suite 200, Waltham, MA 02453, and at any adjournments or postponements of the annual meeting. References in this proxy statement to us, we, our and Company refer to Alere Inc., except where otherwise indicated, such as in the Compensation Committee Report the 2011 Audit Committee Report.

General Information

Delivery of Proxy Materials

We are providing access to our proxy materials (including this proxy statement, together with a notice of meeting and our annual report) on the Internet pursuant to rules adopted by the Securities and Exchange Commission, or the SEC. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, to stockholders entitled to vote at the meeting. You may also request a printed copy of the proxy materials by mail. If you do so, these materials will also include the proxy card for the annual meeting. The Notice that you received via mail provides instruction for accessing the current proxy materials on the Internet, requesting a printed copy of the proxy materials, establishing your future preferences for proxy material delivery and casting your vote via the Internet. To facilitate timely delivery, all requests for a paper copy of the proxy materials must be received by July 1, 2012.

All stockholders will have the ability to access the proxy materials on a website referred to in the Notice and may also request a printed copy of the proxy materials at no charge. If you request a printed copy of the proxy materials, we will mail them to you within three business days of your request. The Notice includes instructions on how to access the electronic proxy materials, as well as instructions for requesting a printed copy. In addition, stockholders may permanently elect to receive future proxy materials in either electronic form by email or printed form by mail. If you make

such an election, we will continue to send you the materials pursuant to your election until you notify us otherwise, except as otherwise permitted by law.

Who May Vote

Holders of our common stock, as recorded in our stock register at the close of business on May 17, 2012, may vote at the annual meeting on matters properly presented at the meeting. As of that date, there were shares of our common stock outstanding, each of which is entitled to cast one vote per share. A list of stockholders will be available for inspection for at least ten days prior to the meeting at the principal executive offices of the Company at 51 Sawyer Road, Suite 200, Waltham, MA 02453.

Electronic Access to Proxy Materials and Annual Report

The Notice includes instructions regarding how to:

view your proxy materials for the annual meeting on the Internet; and

instruct us to send you all future proxy materials by email.

If you choose to receive future proxy materials by email, next year you will receive an email with a link to the proxy materials and proxy voting site. Your election to receive future proxy materials by email will remain in effect until you terminate your election. We may send you proxy materials by other means if

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otherwise permitted by law. Choosing to receive your future proxy materials by email will save us the cost of producing and mailing these documents.

How to Vote

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

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

How Proxies Work

Our Board of Directors, or the Board, is asking for your proxy. Giving us your proxy means you authorize our designated proxy holders, Ron Zwanziger and Ellen Chiniara (or their substitutes), to vote your shares at the meeting, and at any adjournment or postponement thereof, in the manner you direct. With respect to the election of directors, you may vote for all, some or none of our nominees for director. With respect to the other proposals, you may vote for or against the proposal or abstain from voting.

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

If you authorize your proxy electronically or by telephone or send a properly executed proxy without specific voting instructions, the designated proxy

holders will vote your shares in favor of the election of our nominees for director and in favor of the other proposals for which our Board has made a recommendation.

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

Solicitation

In addition to this mailing, our employees may solicit proxies personally, electronically or by telephone. We pay all of the costs of this proxy solicitation. We also reimburse brokers, banks, nominees and other fiduciaries for their expenses in sending these materials to you and getting your voting instructions. We have also engaged Alliance Advisors, LLC to assist us with the solicitation of proxies, and we expect to pay Alliance Advisors, LLC approximately \$6,000 for its services, plus out-of-pocket expenses incurred during the course of its work.

Revoking a Proxy

You may revoke your proxy at any time before it is voted at the meeting by:

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

properly executing and delivering a later-dated proxy card;

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voting by ballot at the meeting; or

notifying our corporate Secretary of the revocation in writing.

If you hold your shares in street name, you should follow the instructions you receive from your broker or other nominee to revoke your proxy.

Quorum

In order to carry on the business of the meeting, we must have a quorum. Under our bylaws, this means at least a majority of the shares outstanding on the record date and entitled to vote must be present in person or represented by proxy at the meeting.

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Proxies marked as abstaining or withheld, limited proxies and proxies containing broker non-votes with respect to any matter to be acted upon by stockholders will be treated as present at the meeting for purposes of determining a quorum, but will not be counted as votes cast on such matter. A broker non-vote is a proxy submitted by a broker or other nominee holding shares on behalf of a client in which the broker or other nominee indicates that it does not have discretionary authority to vote such shares on a particular matter.

Vote Required

Each proposal sets forth the vote required for approval of the matter.

Dissenter s Rights

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

Multiple Stockholders Sharing the Same Address

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

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Corporate Governance

The Board of Directors

Our Board of Directors currently consists of ten members who are divided into three classes as follows: three Class I Directors (John F. Levy, Jerry McAleer, Ph.D. and John A. Quelch, D.B.A.), three Class II Directors (Carol R. Goldberg, James Roosevelt, Jr. and Ron Zwanziger) and four Class III Directors (Eli Y. Adashi, M.D., Robert P. Khederian, David Scott, Ph.D. and Peter Townsend). The members of each class serve until the third annual meeting of stockholders after their election and, at each annual meeting of stockholders, one class of directors is elected to succeed the directors of the same class whose terms are expiring. The current terms of the Class I Directors, Class II Directors and Class III Directors will expire at the annual meetings of stockholders held in 2014, 2012 and 2013, respectively. Please see Proposal 2 Approval of a Proposal to Amend our Certificate of Incorporation to Declassify the Board of Directors beginning on page 8 of this proxy statement for our proposal to declassify our Board of Directors. If our stockholders approve this proposal, directors elected by stockholders after the 2012 annual meeting of stockholders will serve until the next annual meeting of stockholders after their election. The Board has determined that the following directors are independent under the rules of the New York Stock Exchange, or NYSE: Dr. Adashi, Ms. Goldberg, Mr. Khederian, Mr. Levy, Dr. Quelch, Mr. Roosevelt and Mr. Townsend.

The Board held eight meetings during the fiscal year 2011. We have no formal policy regarding Board members' attendance at annual meetings of stockholders. Last year, seven members of the Board attended our annual meeting of stockholders.

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

The Audit Committee

The Audit Committee consists of Mr. Levy, its Chairperson, Mr. Khederian and Mr. Townsend. Among other things, the Audit Committee oversees our accounting and financial reporting processes, including the selection, retention and oversight of our independent registered public accounting firm and the pre-approval of all auditing and non-auditing services provided by our independent registered public accounting firm. The Audit Committee's 2011 Audit Committee Report is included in this proxy statement beginning on page 48. The Board has determined that Mr. Levy is an audit committee financial expert, as defined by SEC rules adopted pursuant to the Sarbanes-Oxley Act. The Audit Committee held eight meetings during 2011.

The Compensation Committee

The Compensation Committee consists of Ms. Goldberg, its Chairperson, Dr. Adashi and Mr. Khederian. The Compensation Committee develops and implements executive officer and director compensation policies and plans that provide incentives intended to promote our long-term strategic plans and that are consistent with our culture and the overall goal of enhancing enduring stockholder value. Under its charter, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee, but to date it has not chosen to do so. During 2011, the Compensation Committee held nine meetings. The Compensation Discussion and Analysis recommended by the Compensation Committee to be included in this proxy statement begins on page 32. Among other things, the Compensation Discussion and Analysis describes in greater detail the Compensation Committee's role in the executive compensation process. In addition, the Compensation Committee's role in establishing director compensation is described in more detail under Compensation of Directors beginning on page 45 of this proxy statement.

The Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Dr. Quelch, its Chairperson, Mr. Levy and Mr. Roosevelt. The Nominating and

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Corporate Governance Committee is charged with recommending nominees for election to the Board, overseeing the selection and composition of committees of the Board, developing and recommending corporate governance principles and overseeing our continuity planning process. The Nominating and Corporate Governance Committee conducts inquiries into the backgrounds and qualifications of possible director candidates and has the authority to retain any search firm or other advisors to assist in identifying candidates to serve as directors. The Nominating and Corporate Governance Committee has established a policy with regard to the consideration of director candidates recommended by holders of our voting stock. The material elements of this policy are set forth and discussed below under *Stockholder Proposals* beginning on page 50, and the full policy can be viewed on the *Corporate Governance* page of our website at www.alere.com. Pursuant to the committee's charter, in identifying and evaluating director candidates, including candidates proposed or recommended by stockholders, the Nominating and Corporate Governance Committee takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board. While the Company does not have a formal diversity policy for Board membership, the Board seeks directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board's discussions and decisions. The Nominating and Corporate Governance Committee considers diversity with respect to viewpoints, accomplishments, skills, experiences and community involvement, among other factors such as gender, race, national origin and age, in its evaluation of candidates for Board membership. Such diversity considerations are discussed by the Nominating and Corporate Governance Committee in connection with the general qualifications of each potential nominee. In considering candidates for the Board, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials in the context of these standards and whether the candidate would bring a unique perspective to the Board, which is consistent with the committee's goal of creating a board of directors that best serves our needs and the interests of our stockholders. During 2011, the Nominating and Corporate Governance Committee held two meetings.

Executive Sessions

The non-management directors meet at regularly scheduled executive sessions without management participation, generally in connection with regularly scheduled Board meetings. At each such session, the non-management directors select a director to preside over such session.

Board Leadership Structure and Role in Risk Oversight

The Board has determined that a board leadership structure featuring a single leader as Chairman and Chief Executive Officer, or CEO, best serves our interests and those of our stockholders. The combined role promotes consistent and unified leadership, timely decision-making, strategy development and execution and effective management of company resources. The combined role also facilitates information flow between management and the Board. Combining the roles of Chairman and CEO makes clear that the individual serving in these roles has primary responsibility for managing our business, under the oversight and review of the Board. The CEO is the individual with primary responsibility for implementing our strategy, directing the work of other executive officers and leading implementation of our strategic plans as approved by the Board. This structure results in a single leader being directly accountable to the Board and, through the Board, to stockholders, and enables the CEO to act as the key link between the Board and other members of management.

We do not have a lead independent director, but our non-management directors regularly meet in executive session without management present, generally in connection with regularly scheduled meetings of the Board. Prior to each meeting in executive session, a presiding director is selected by the non-management directors. All of the directors on each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are independent directors.

Management is responsible for the day-to-day management of the risks that we face, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board is responsible for satisfying itself that our risk management processes are adequate and functioning as designed. The Board's involvement in risk oversight includes

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receiving regular reports from members of senior management and evaluating areas of material risk, including operational, financial, legal, regulatory, strategic and reputational risks. In addition, the Board has delegated risk oversight to each of its key committees within their areas of responsibility. The Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee each report at the next meeting of the Board all significant items discussed at each committee meeting, which includes a discussion of any items relating to risk oversight. The Compensation Committee assists the Board in its risk oversight function by overseeing strategies related to our incentive compensation programs and key employee retention. The Audit Committee assists the Board in its risk oversight function by reviewing our system of disclosure controls and procedures and our internal control over financial reporting. The Nominating and Corporate Governance Committee assists the Board in its risk oversight function by managing risks associated with director candidate selection, governance and succession matters.

Communications with the Board

Stockholders and interested parties wishing to communicate with the Board or any director or group of directors (including only the non-management

directors) should direct their communications to: Secretary, Alere Inc., 51 Sawyer Road, Suite 200, Waltham, MA 02453. Stockholder communications must state the number of shares of our stock beneficially owned by the stockholder sending the communication. The Secretary will forward the stockholder or interested-party communication to the Board or to any individual director or directors to whom the communication is directed; provided, however, that if the communication is unduly hostile, profane, threatening, illegal or otherwise inappropriate, the Secretary has the authority to discard the communication and take any appropriate legal action.

Code of Ethics

Our Board has adopted a code of ethics that applies to all of our employees and agents worldwide, including our chief executive officer, our chief financial officer, our principal accounting officer or controller, other executive officers and the members of the Board. Known as the Alere Inc. Business Conduct Guidelines, this code of ethics is posted in its entirety on the *Corporate Governance* page of our website at www.alere.com. We intend to make required disclosures of amendments to our code of ethics, or waivers of a provision of our code of ethics, on the Corporate Governance page of our website.

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Proposal 1

Election of Directors

At the 2012 annual meeting, the term of the Class II Directors will expire. The Board proposes, at the recommendation of the Nominating and Corporate Governance Committee, that at the 2012 annual meeting of stockholders the following nominees be elected as Class II Directors:

Carol R. Goldberg

James Roosevelt, Jr.

Ron Zwanziger

As noted above, each of these nominees is currently serving as a member of the Board. The proxies granted by stockholders will be voted individually at the annual meeting for the election of these three nominees. In the event that Ms. Goldberg, Mr. Roosevelt or Mr. Zwanziger shall be unable to serve, it is intended that the proxy will be voted for any replacements nominated by the Board. Ms. Goldberg, Mr. Roosevelt and Mr. Zwanziger have indicated that they will serve on the Board, if elected. For information regarding these nominees, see Information Regarding Nominees, Other Directors and Executive Officers beginning on page 23 of this proxy statement.

Vote Required

The Class II Directors must be elected by a plurality of the votes properly cast at the annual meeting. This means that the three nominees

receiving the highest number of FOR votes will be elected as Class II Directors. Votes may be cast FOR or WITHHELD FROM each nominee. Votes that are WITHHELD FROM the nominees will be excluded entirely from the vote and will have no effect.

Furthermore, if you are a holder of record and you fail to vote your shares, either in person or by proxy, the votes represented by your shares will be excluded entirely from the vote and will have no effect. **If you hold your shares through a broker, bank or other nominee (i.e., in street name) and you do not instruct your broker or other nominee how to vote your shares with respect to the election of directors, any broker or nominee subject to the NYSE rules will be prohibited by those rules from voting your shares in the election of directors. Instead, the votes represented by your shares will be counted as broker non-votes, will be excluded entirely from the vote and will have no effect on the election of directors.**

Recommendation

The Board unanimously recommends a vote FOR the election of the nominees listed above.

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Proposal 2

Approval of a Proposal to Amend our Certificate of Incorporation to Declassify the Board of Directors

Introduction

Our Board is submitting for stockholder approval a proposal to amend our Amended and Restated Certificate of Incorporation to phase in the declassification of our Board and provide for the election of directors for terms expiring at the next annual meeting of stockholders, rather than at the third annual meeting of stockholders after election. We refer to this proposal as the Declassification Proposal. Our Board has unanimously recommended that stockholders vote in favor of the Declassification Proposal.

Our Board is currently divided into three classes, and each year members of one class are elected to serve for staggered terms expiring at the third annual meeting of stockholders after election. Proponents of classified boards argue that they provide continuity and stability to a board of directors, encourage directors to have a long-term perspective and improve a company's negotiating position in the event of a hostile takeover attempt. For example, having a classified board may force an entity seeking to obtain control of a company to negotiate with the board because the entity cannot replace the entire board in a single election. Opponents of classified boards argue, on the other hand, that they reduce the accountability of directors to the stockholders of a company and breed an atmosphere that serves to protect the interests of management at the expense of stockholders. Moreover, corporate governance standards continue to evolve, and many investors and commentators believe that the election of directors is the primary means for stockholders to influence corporate governance policies and to hold management accountable for implementing those policies.

In making its recommendation, our Board carefully considered the advantages of both classified and declassified board structures and considered comments from our stockholders. The Board determined that the advantages to our stockholders of annual director elections for all directors outweigh the advantages of a classified board. Consequently, the Board concluded that the Declassification Proposal is in the best interests of Alere and its stockholders.

If the Declassification Proposal is approved by the stockholders at this Annual Meeting, the declassification of our Board will be phased in over a period of years. Commencing with the class of directors standing for election at our 2013 Annual Meeting of Stockholders, directors will stand for election for terms expiring at the next succeeding annual meeting. Directors who are elected at this Annual Meeting, whose election will occur under the terms of our existing Amended and Restated Certificate of Incorporation and whose terms will therefore expire in 2015, and the directors who were elected at our 2011 Annual Meeting of Stockholders, whose terms expire in 2014, will continue to hold office until the end of the terms for which they were elected. Beginning with our 2015 Annual Meeting of Stockholders, all directors will be elected annually. Any director elected to fill any vacancy in the Board will hold office until the next succeeding annual meeting of stockholders. In all cases, each director will hold office until his or her successor has been duly elected and qualified or until the director's earlier death, resignation, disqualification or removal.

Delaware corporate law provides that members of a classified board of directors may be removed only for cause, unless otherwise provided in the certificate of incorporation. At present, our Amended and Restated Certificate of Incorporation provides that our directors can be removed only for cause, and only by the affirmative vote of the holders of 75% or more of the shares of our outstanding capital stock then entitled to vote at an election of directors. In order to comply with Delaware law, if the Declassification Proposal is approved by our stockholders, our Amended and Restated Certificate of Incorporation would also be amended to provide that, as the Board becomes declassified, directors may be removed, with or without cause, by the affirmative votes of the holders of a majority of the shares of our outstanding capital stock then entitled to vote at an election of directors. The removal of directors who are in office immediately before the 2013 Annual Meeting of Stockholders whose term expires at the Annual Meeting of Stockholders in calendar year 2014 or calendar year 2015 would continue to be subject to removal under the standards currently in

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effect under our Amended and Restated Certificate of Incorporation until the 2015 Annual Meeting of Stockholders.

Approval of the Declassification Proposal will result in the amendment of Article VI of our Amended and Restated Certificate of Incorporation as shown in Appendix A, which is incorporated by reference in this proxy statement. We urge you to review Appendix A carefully because this summary may not contain all of the information about this amendment that may be important to you. If the Declassification Proposal is not approved, the Board of Directors will remain classified and the proposed changes to Article VI will not be adopted.

Vote Required

If a quorum is present, the affirmative vote of 75% of the outstanding shares of common stock entitled to vote is required to approve the Declassification Proposal. Votes may be cast for or against the Declassification Proposal or holders may abstain from voting; abstentions and broker non-votes will have the same effect as votes against the proposal.

Recommendation

The Board unanimously recommends that stockholders vote FOR the Declassification Proposal.

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Proposal 3

Approval of An Increase in the Number of Shares of Common Stock Available for Issuance Under the 2010 Stock Option and Incentive Plan

Introduction

The Board has adopted and is seeking stockholder approval of an amendment to the 2010 Stock Option and Incentive Plan to increase the number of shares of common stock that are available to be issued under the plan from 3,153,663 shares to 5,153,663 shares (subject to adjustment for stock splits, stock dividends and similar events). Of the 3,153,663 shares of common stock authorized for issuance under the 2010 Stock Option and Incentive Plan, only 469,430 shares remained available for future grants or awards as of May 11, 2012. While some additional shares may become available under the 2010 Stock Option and Incentive Plan through employee terminations, this number is not expected to be significant.

The Board recommends this action in order to enable us to continue to provide equity compensation to attract and retain talented personnel, especially in the event of future acquisitions and anticipated future growth. The Board believes that stock options and other forms of equity compensation promote growth and provide a meaningful incentive to employees of successful companies.

As of May 11, 2012 there were 80,370,517 shares of our common stock outstanding. The increase of 2,000,000 shares of common stock available for grant under the 2010 Stock Option and Incentive Plan will result in additional potential dilution of our outstanding stock. Based solely on the closing price of our common stock on May 11, 2012 of \$19.02 per share, the aggregate market value of the additional 2,000,000 shares of common stock to be reserved for issuance under the 2010 Stock Option and Incentive Plan would be \$38,040,000.

The following is a summary of the material terms of the 2010 Stock Option and Incentive Plan. The summary is qualified in its entirety by reference to the complete text of the 2010 Stock Option and Incentive Plan. Stockholders are urged to read the actual text of the 2010 Stock Option and Incentive Plan, as proposed to be amended, which is set forth as [Appendix B](#) to this proxy statement, in its entirety.

Summary of the 2010 Stock Option and Incentive Plan, as Amended